services; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVIS of South Carolina:

H.R. 14673. A bill to require that certain textile products bear a label containing cleaning instructions; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER:

H.R. 14674. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended; to the Committee on District of Columbia.

By Mr. GUDE:

H.R. 14675. A bill to amend title 5 of the United States Code to provide that supergrade employees (and certain other Federal employees) whose pay is subject to a special statutory limitation shall be credited, for civil service retirement purposes, with the full amount of the basic pay they would be entitled to receive in the absence of such limitation; to the Committee on Post Office and Civil Service.

By Mr. HALPERN:

H.R. 14676. A bill to establish National, Regional, and Local Awareness Advisory Councils in order to facilitate communication between the President and the people of the United States, and for other purposes; to the Committee on Government Operations.

By Mrs. HECKLER of Massachusetts (for herself, Mr. BIESTER, Mr. BURKE of Massachusetts, Mr. CONTE, Mr. DRINAN, Mr. DONOHUE, Mr. GALIFIANAKIS, Mr. HARRINGTON, Mr. KEITH, Mr. MATSUNAGA, Mr. MORSE, Mr. NELSEN, Mr. O'NEILL, Mr. PEPPER, and Mr. THOMPSON of New Jersey):

H.R. 14677. A bill establishing a commission to develop a realistic plan leading to the conquest of multiple sclerosis at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

By Mr. KEMP:

H.R. 14678. A bill to impose a statutory limit on expenditures and net lending during fiscal year 1973; to the Committee on Government Operations.

By Mr. KOCH (for himself, Mr. FISHER, Mr. HILLIS, Mr. RYAN, and Mr. BOB WILSON):

H.R. 14679. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. MILLS of Arkansas:

H.R. 14680. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system; to the Committee on Ways and Means.

By Mr. MILLER of Ohio:

H.R. 14681. A bill to authorize the Secretary of the Army to investigate, plan, and construct projects for the control of streambank erosion; to the Committee on Public Works.

By Mr. MINISH:

H.R. 14682. A bill to amend the Public Health Service Act to enlarge the authority of the National Heart and Lung Institute in order to advance the national attack against diseases of the heart and blood vessels, the lungs, and blood, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 14683. A bill to provide for the cessation of bombing in Indochina and for the withdrawal of U.S. military personnel from the Republic of Vietnam, Cambodia, and Laos; to the Committee on Foreign Affairs.

By Mr. PIKE:

H.R. 14684. A bill to amend the Public Health Service Act to provide for the prevention of Cooley's anemia; to the Committee on Interstate and Foreign Commerce.

By Mr. PODELL:

H.R. 14685. A bill to establish a national policy and to provide for the effective management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RODINO:

H.R. 14686. A bill to amend the Public Health Service Act to enlarge the authority of the National Heart and Lung Institute in order to advance the national attack against diseases of the heart and blood vessels, the lungs, and blood, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCOTT:

H.R. 14687. A bill to authorize equalization of the retired or retainer pay of certain members and former members of the uniformed services; to the Committee on Armed Services.

By Mr. STEPHENS:

H.R. 14688. A bill to amend the Occupational Safety and Health Act of 1970 to exempt any nonmanufacturing business, or any business having 25 or less employees, in States having laws regulating safety in such businesses, from the Federal standards created under such act; to the Committee on Education and Labor.

By Mr. THOMPSON of New Jersey:

H.R. 14689. A bill to provide for the establishment of an Office for the Aging in the Executive Office of the President, for fulfillment of the purposes of the Older Americans Act, for enlarging the scope of that act, and for other purposes; to the Committee on Education and Labor.

H.R. 14690. A bill establishing a commission to develop a realistic plan leading to the conquest of multiple sclerosis at the earliest possible date; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK:

H.R. 14691. A bill to provide for the regulation of the mining of oil shale, for the conservation and reclamation of the oil shale lands, and for other purposes; to the Committee on Ways and Means.

By Mr. WALDIE:

H.R. 14692. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide a system for the redress of law enforcement officers' grievances and to establish a law enforcement officers' bill of rights in each of the several States, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.J. Res. 1180. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. CONTE (for himself, Mrs. ABZUG, Mrs. CHISHOLM, Mr. DONOHUE, Mrs. GRASSO, Mr. HALPERN, Mr. HARRINGTON, and Mr. WARE):

H.J. Res. 1181. Joint resolution proposing an amendment to the Constitution of the United States relating to the nomination of individuals for election to the offices of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. HALPERN:

H.J. Res. 1182. Joint resolution urging municipalities and other appropriate local government units to adopt regulations assuring the safety of high-rise buildings against the hazard of fire; to the Committee on Banking and Currency.

By Mr. ROBINSON of Virginia:

H.J. Res. 1183. Joint resolution requesting the President of the United States to declare the week beginning August 6, 1972, "National Junior Classical League Week"; to the Committee on the Judiciary.

By Mr. NIX:

H. Con. Res. 596. Concurrent resolution to stop the bombing of North Vietnam; to the Committee on Foreign Affairs.

By Mr. CHARLES H. WILSON:

H. Con. Res. 597. Concurrent resolution; policies and procedures to end the war in Indochina; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

380. The SPEAKER presented a memorial of the Senate of the State of Oklahoma, relative to price controls on food; to the Committee on Banking and Currency.

PETITIONS, ETC.

Under clause 1 of rule XXII,

221. Mr. ARENDS presented petition of Barracks No. 698, Veterans of World War I, Aurora, Ill., urging that Congress declare November 11 to again be known as Armistice Day and a national holiday; to the Committee on the Judiciary.

SENATE—*Thursday, April 27, 1972*

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Honorable DAVID H. GAMBRELL, a Senator from the State of Georgia.

PRAYER

The Reverend Father James J. Kortendick, S.S., Ph. D., chairman, Graduate Department of Library Science, Catholic University of America, Washington, D.C., offered the following prayer:

Almighty and eternal Father of all, let us here and now be aware of Your presence and concern for us. Inspire our leaders in Government to seek Your will, wisdom, and strength in the fulfillment of their offices. Let them always be ready to listen to divine guidance and to hear and interpret Your voice through the voice of their colleagues and of all the people.

Bless these men and women who bear the burden of decision for destiny that they may vigorously seek the common good of mankind in peace, justice, security, and the alleviation of suffering and deprivation in all its forms among men.

Grant our leaders the grace of faith, hope, and love, of personal integrity, and good health to support them in facing the awesome responsibilities entrusted to them by You, and in prayerful confidence by us. Through Jesus Christ our Lord. Amen.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. ELLENDER).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 27, 1972.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DAVID H. GAMBRELL, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

Mr. GAMBRELL thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 25, 1972, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 2895. An act to provide for the conveyance of certain real property in the District of Columbia to the National Firefighting Museum and Center for Fire Prevention, Inc.;

H.R. 11032. An act to enable the blind and the otherwise physically disabled to participate fully in the social and economic life of the District of Columbia;

H.R. 13034. An act to authorize appropriations to carry out the Fire Research and Safety Act of 1968 and the Standard Reference Data Act, and to amend the act of March 3, 1901 (31 Stat. 1449), to make improvements in fiscal and administrative practices for more effective conduct of certain functions of the National Bureau of Standards;

H.R. 14108. An act to authorize appropriations for activities of the National Science Foundation, and for other puposes; and

H.R. 14582. An act making supplemental appropriations for the fiscal year ending June 30, 1972, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 2895. An act to provide for the conveyance of certain real property in the District of Columbia to the National Firefighting Museum and Center for Fire Prevention, Incorporated; and

H.R. 11032. An act to enable the blind and the otherwise physically disabled to participate fully in the social and economic life of the District of Columbia; to the Committee on the District of Columbia.

H.R. 13034. An act to authorize appropriations to carry out the Fire Research and Safety Act of 1968 and the Standard Reference Data Act, and to amend the act of March 3, 1901 (31 Stat. 1449), to make improvements in fiscal and administrative practices for more effective conduct of certain functions of the National Bureau of Standards; to the Committee on Commerce.

H.R. 14108. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Labor and Public Welfare.

H.R. 14582. An act making supplemental appropriations for the fiscal year ending June 30, 1972, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar beginning with "New Reports."

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

The ACTING PRESIDENT pro tempore. The clerk will state the first nomination.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Curtis W. Tarr, of Virginia, to be Under Secretary of State for Coordinating Security Assistance Programs.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be considered and confirmed.

The second assistant legislative clerk read the nomination of Joseph S. Farland, of West Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Mr. ROBERT C. BYRD. Mr. President, I simply want to say that I am pleased to support the confirmation of the nomination of Mr. Farland, and I am sure that I speak for my senior colleague (Mr. RANDOLPH) in that regard.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be considered and confirmed.

The second assistant legislative clerk read the nomination of Martin J. Hillenbrand, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The second assistant legislative clerk read the nomination of Jarold A. Kieffer, of Minnesota, to be an Assistant Administrator of the Agency for International Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination will be considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

DISTRICT OF COLUMBIA INSURANCE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 728, S. 2208.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read the bill by title, as follows:

A bill (S. 2208) to improve the laws relating to the regulation of insurance in the District of Columbia, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments on page 19, line 25, after "$1,000,000", insert a comma and "and by striking out the figure "$150,000" in the last sentence thereof and inserting in lieu thereof the figure "$1,500,000"; on page 20, line 6, after the word "the", strike out "figure" and insert "figures"; in line 7, after "$300,000", insert "and "$150,000", respectively,"; in line 11, after the word "the", strike out "figure" and insert "figures"; at the beginning of line 12, insert "and "$150,000", respectively,"; after line 13, insert a new subsection, as follows:

(c) Subsection (b) of section 8, chapter III of the Life Insurance Act, as amended (48 Stat. 1145; D.C. Code, sec. 35–508(b)), is amended by adding after the word "subsection", the words "or subsequent amendment" and by adding after the words "stock company" the words "or the minimum surplus required of a mutual company."

On page 21, line 10, after the word "figure", strike out "$25,000" and insert "$30,000"; in line 12, after the word "figure", strike out "$75,000" and insert

"$100,000"; in line 14, after the word "figure", strike out "300"." and insert "300."; after line 14, insert a new section, as follows:

SEC. 302. The first sentence of section 11 of chapter V of the Life Insurance Act, (49 Stat. 1145) as amended (D.C. Code 35–711), is amended by deleting the word "and" between clauses (b) and (c), by deleting the colon at the end of clause (c) and substituting a semicolon therefor, and by adding a new clause (d) as follows: "and (d) that subject to the terms of the policy any person insured under a group life insurance contract, whether issued before or after the effective date of this clause, may make to any person, other than his employer, an absolute or collateral assignment of any or all the rights and benefits conferred on him by any provision of such policy or by law, including specifically, but not by way of limitation, any right to designate a beneficiary or beneficaries thereunder and any right to have an individual policy issued upon termination either of employment or of said policy of group life insurance, but nothing herein shall be construed to have prohibited an insured from making an assignment of all or any part of his rights and privileges under the policy before the effective date of this clause and, subject to the terms of the policy, an assignment by an insured before or after the effective date of this clause is valid for the purposes of vesting in the assignee all rights and privileges so assigned, but without prejudice to the insurer on account of any payment it may make or individual policy it may issue prior to receipt of notice of the assignment."

On page 24, line 12, after "(D.C. Code, sec. 1–805)", insert a comma and "and the Act approved August 3, 1968 (82 Stat. 628; D.C. Code 1–804a),"; and, line 14, after the amendment just above stated, strike out "is" and insert "are", 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 this Act may be cited as the "District of Columbia Insurance Act."

TITLE I—DISTRICT OF COLUMBIA POST ASSESSMENT INSURANCE GUARANTY ASSOCIATION ACT

SEC. 101. This title shall be known and may be cited as the "District of Columbia Insurance Guaranty Association Act."

SEC. 102. The purpose of this title is to provide a mechanism for the payment of covered claims under certain insurance policies to avoid excessive delay in payment and to avoid financial loss to claimants or policyholders because of the insolvency of an insurer, to assist in the detection and prevention of insurer insolvencies, and to provide an association to assess the cost of such protection among insurers.

SEC. 103. This title shall apply to all kinds of direct insurance, except life, title, disability, and mortgage guaranty insurance.

SEC. 104. As used in this title—

(1) "Commissioner" means the Commissioner of the District of Columbia or his designated agent.

(2) "Covered claim" means an unpaid claim, including one of unearned premiums, which arises out of and is within the coverage and not in excess of the applicable limits of an insurance policy to which this title applies issued by an insurer, if such insurer becomes an insolvent insurer after the effective date of this title and (a) the claimant or insured is a resident of the District of Columbia at the time of the insured event; or (b) the property from which the claim arises is permanently located in the District. "Covered claim" shall not include any amount due any reinsurer, insurer, insurance pool, or underwriting asociation, as subrogation recoveries or otherwise.

(3) "Insolvent insurer" means (a) an insurer authorized to transact insurance in the District either at the time the policy was issued or when the insured event occurred and (b) determined to be insolvent by a court of competent jurisdiction.

(4) "Member insurer" means any person who (a) writes any kind of insurance to which this title applies, including the exchange of reciprocal or interinsurance contracts, and (b) is licensed to transact insurance in the District.

(5) "Net direct written premiums" means direct gross premiums written in the District on insurance policies to which this title applies, less return premiums thereon and dividends paid or credited to policyholders on such direct business. The term does not include premiums on contracts between insurers or reinsurers.

(6) "Person" includes individuals, corporations, associations, exchanges, and partnerships.

SEC. 105. There is created a nonprofit unincorporated legal entity to be known as the District of Columbia Insurance Guaranty Association (hereinafter Association). All member insurers shall be and remain members of the Association as a condition of their authority to transact insurance in the District. The Association shall perform its functions under a plan of operation established and approved by the Commissioner and shall exercise its powers through a Board of Directors. For purposes of administration and assessment, the Association shall be divided into three separate accounts: (a) the workmen's compensation insurance account; (b) the automobile insurance account; and (c) the account for all other insurance to which this title applies.

SEC. 106. (a) The Board of Directors of the Association shall consist of not less than five nor more than nine persons serving terms as established in the plan of operation. The members of the Board shall be selected by member insurers subject to the approval of the Commissioner. Vacancies on the Board shall be filled for the remaining period of the term in the same manner as initial appointments. If no members are selected within sixty days after the effective date of this title, the Commissioner may appoint the initial members of the Board of Directors.

(b) In approving selections to the Board, the Commissioner shall consider among other things whether all member insurers are fairly represented.

(c) Members of the Board may be reimbursed from the assets of the Association for expenses incurred by them as members of the Board of Directors.

SEC. 107. The Association shall have the following duties and powers under this title.

(a) The Association shall—

(1) be obligated to the extent of the covered claims existing prior to the determination of insolvency and arising within thirty days after the determination of insolvency or before the policy expiration date if less than thirty days after the determination, or before the insured replaces the policy or causes its cancellation, if he does so within thirty days of the determination, but such obligation shall include only that amount of each covered claim which is in excess of $100 and is less than $300,000, except that the Association shall pay the full amount of any covered claim arising out of a workmen's compensation policy. In no event shall the Association be obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises;

(2) be deemed the insurer to the extent of its obligation on the covered claims and to such extent shall have all rights, duties, and obligations of the insolvent insurer as if the insurer had not become insolvent;

(3) allocate claims paid and expenses incurred among the three accounts separately, and assess member insurers separately for each account amounts necessary to pay the obligations of the Association under subsection (a) of this section subsequent to an insolvency, the expenses of handling covered claims subsequent to an insolvency, the cost of examinations under section 112 and other expenses authorized by this title. The assessments of each member insurer shall be in the proportion that the net direct written premiums of the member insurer for the preceding calendar year on the kinds of insurance in the account bears to the net direct written premiums of all member insurers for the preceding calendar year on the kinds of insurance in the account. Each member insurer shall be notified of the assessment not later than thirty days before it is due. No member insurer may be assessed in any year on any account an amount greater than 2 per centum of that member insurer's net direct written premiums for the preceding calendar year on the kinds of insurance in the account. If the maximum assessment, together with the other assets of the Association in any account, does not provide in any one year in any account an amount sufficient to make all necessary payments from that account, the funds available shall be prorated and the unpaid portion shall be paid as soon thereafter as funds become available. The Association may exempt or defer, in whole or in part, the assessment of any member insurer, if the assessment would cause the member insurer's financial statement to reflect amounts of capital or surplus less than the minimum amounts required for a certificate of authority by any jurisdiction in which the member insurer is authorized to transact insurance. Each member insurer may set off against any assessment, authorized payments made on covered claims and expenses incurred in the payment of such claims by the member insurer if they are chargeable to the account for which the assessment is made.

(4) investigate claims brought against the Association and adjust, compromise, settle, and pay covered claims to the extent of the Association's obligation and deny all other claims and may review settlements, releases and judgments to which the insolvent insurer or its insureds were parties to determine the extent to which such settlements, releases and judgments may be properly contested;

(5) notify such persons as the Commissioner directs under section 109(b)(1);

(6) handle claims through its employees or through one or more insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the Commissioner, but such designation may be declined by a member insurer; and

(7) reimburse each servicing facility for obligations of the Association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the Association and shall pay the other expenses of the Association authorized by this title.

(1) employ or retain such persons as are

necessary to handle claims and perform other duties of the Association;

(2) borrow funds necessary to effect the purposes of this title in accord with the plan of operation;

(3) sue or be sued;

(4) negotiate and become a party to such contracts as are necessary to carry out the purpose of this title;

(5) perform such other acts as are necessary or proper to effectuate the purpose of this title; and

(6) refund to the member insurers in proportion to the contribution of each member insurer to that account that amount by which the assets of the account exceed the liabilities, if, at the end of any calendar year, the Board of Directors finds that the assets of the Association in any account exceed the liabilities of that account as estimated by the Board of Directors for the coming year.

SEC. 108. (a) (1) The Association shall submit to the Commissioner a plan of operation and any amendments thereto necessary or suitable to assure the fair, reasonable, and equitable administration of the Association. The plan of operation and any amendments thereto shall become effective upon approval in writing by the Commissioner.

(2) If the Association fails to submit a suitable plan of operation within ninety days following the effective date of this title or if at any time thereafter the Association fails to submit suitable amendments to the plan, the Commissioner shall, after notice and hearing, adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this title. Such rules shall continue in force until modified by the Commissioner or superseded by a plan submitted by the Association and approved by the Commissioner.

(b) All member insurers shall comply with the plan of operation.

(c) The plan of operation shall—

(1) establish the procedures whereby all the powers and duties of the Association under section 107 will be performed;

(2) establish procedures for handling assets of the Association;

(3) establish the amount and method of reimbursing members of the Board of Directors under section 106;

(4) establish procedures by which claims may be filed with the Association and establish acceptable forms of proof of covered claims. Notice of claims to the receiver or liquidator of the insolvent insurer shall be deemed notice to the Association or its agent and a list of such claims shall be periodically submitted to the Association or similar organization in another State by the receiver or liquidator;

(5) establish regular places and times for meetings of the Board of Directors;

(6) establish procedures for records to be kept of all financial transactions of the Association, its agents, and the Board of Directors;

(7) provide that any member insurer aggrieved by a final action or decision of the Association may appeal to the Commissioner within thirty days after the action or decision;

(8) establish the procedures whereby selections for the Board of Directors will be submitted to the Commissioner; and

(9) contain additional provisions necessary or proper for the execution of the powers and duties of the Association.

(d) The plan of operation may provide that any or all powers and duties of the Association, except those under subsections 107(a)(3) and (b)(2), are delegated to a corporation, association, or other organization which performs or will perform functions similar to those of this Association, or its equivalent, in two or more States. Such a corporation, association, or organization shall be reimbursed as a servicing facility would be reimbursed and shall be paid for its performance of any other functions of the Association. A delegation under this subsection shall take effect only with the approval of both the Board of Directors and the Commissioner, and may be made only to a corporation, association, or organization which extends protection in a manner substantially similar to that provided by this title.

SEC. 109. The Commissioner shall have the following duties and powers under this title.

(a) The Commissioner shall—

(1) notify the Association of the existence of an insolvent insurer not later than three days after he receives notice of the determination of the insolvency; and

(2) upon request of the Board of Directors provide the Association with a statement of the net direct written premiums of each member insurer.

(b) The Commissioner may—

(1) require that the Association notify the insureds of the insolvent insurer and any other interested parties of the determination of insolvency and of their rights under this title. Such notification shall be by mail at their last known address, where available, but if sufficient information for notification by mail is not available, notice by publication in a newspaper of general circulation shall be sufficient;

(2) suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in the District of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative, the Commissioner may levy a fine on any member insurer which fails to pay an assessment when due. Such fine shall not exceed 5 per centum of the unpaid assessment per month, except that no fine shall be less than $100 per month; and

(3) revoke the designation of any servicing facility if he finds claims are being handled unsatisfactorily.

(c) All final orders or decisions of the Commissioner made under this Act shall be subject to review by the District of Columbia Court of Appeals under section 11–742 of the District of Columbia Code.

SEC. 110. (a) Any person recovering under this title shall be deemed to have assigned his rights under the policy to the Association to the extent of his recovery from the Association. Every insured or claimant seeking the protection of this title shall cooperate with the Association to the same extent as such person would have been required to cooperate with the insolvent insurer. The Association shall have no cause of action against the insured of the insolvent insurer ior any sums it has paid out except such causes of action as the insolvent insurer would have had if such sums had been paid by the insolvent insurer. In the case of an insolvent insurer operating on a plan with assessment liability, payments of claims of the Association shall not operate to reduce the insured's liability to the receiver, liquidator, or statutory successor for unpaid assessments.

(b) The receiver, liquidator, or statutory successor of an insolvent insurer shall be bound by settlements of covered claims by the Association or a similar organization in another State. The court having jurisdiction shall grant such claims priority equal to that which the claimant would have been entitled in the absence of this title against the assets of the insolvent insurer.

(c) The Association shall periodically file with the receiver or liquidator of the insolvent insurer statements of the covered claims paid by the Association which shall preserve the rights of the Association against the assets of the insolvent insurer.

SEC. 111. (a) Any person having a claim against an insurer under any provision in an insurance policy, other than a policy of an insolvent insurer which is also a covered claim, shall be required to exhaust first his right under such policy. Any amount payable on a covered claim under this title shall be reduced by the amount of any recovery under such insurance policy.

(b) Any person having a claim which may be recovered under more than one insurance guaranty association or its equivalent shall seek recovery first from the association of the place of residence of the insured except that if it is a first party claim for damage to property with a permanent location, he shall seek recovery first from the association of the location of the property, and if it is a workmen's compensation claim, he shall seek recovery first from the association of the residence of the claimant. Any recovery under this title shall be reduced by the amount of recovery from any other insurance guaranty association or its equivalent.

SEC. 112. To aid in the detection and prevention of insurer insolvencies—

(a) it shall be the duty of the Board of Directors, upon majority vote, to notify the Commissioner of any information indicating any member insurer may be insolvent or in a financial condition hazardous to the policyholders or the public:

(b) the Board of Directors may, upon majority vote, request that the Commissioner order an examination of any member insurer which the Board in good faith believes may be in a financial condition hazardous to the policyholders or the public. The examination may be conducted as a National Association of Insurance Commissioners examination or may be conducted by such person as the Commissioner designates. The cost of such examination shall be paid by the Association and the examination report shall be treated as are other examination reports. In no event shall such examination report be released to the Board of Directors prior to its release to the public, but this shall not preclude the Commissioner from complying with subsection (c) of this section. The Commissioner shall notify the Board of Directors when the examination is completed. The request for an examination shall be kept on file by the Commissioner but it shall not be open to public inspection prior to the release of the examination report to the public;

(c) it shall be the duty of the Commissioner to report to the Board of Directors when he has reasonable cause to believe that any member insurer examined or being examined at the request of the Board of Directors may be insolvent or in a financial condition hazardous to the policyholders or the public;

(d) the Board of Directors may, upon majority vote, make reports and recommendations to the Commissioner upon any matter germane to the solvency, liquidation, rehabilitation, or conservation of any member insurer. Such reports and recommendations shall not be considered public documents;

(e) the Board of Directors may, upon majority vote, make recommendations to the Commissioner for the detection and prevention of insurer insolvencies; and

(f) the Board of Directors shall, at the conclusion of any insurer insolvency in which the Association was obligated to pay covered claims, prepare a report on the history and causes of such insolvency, based on the information available to the Association, and submit such report to the Commissioner.

SEC. 113. The Association shall be subject

to examination and regulation by the Commissioner. The Board of Directors shall submit, not later than March 30 of each year, a financial report for the preceding calendar year on a form approved by the Commissioner.

SEC. 114. The Association shall be exempt from payment of all fees and all taxes levied by the District of Columbia, except taxes levied on real or personal property.

SEC. 115. The rates and premiums charged for insurance policies to which this title applies shall include amounts sufficient to recoup a sum equal to the amounts paid to the Association by the member insurer less any amounts returned to the member insurer be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

SEC. 116. There shall be no liability on the part of, and no cause of action of any nature shall arise against, any member insurer, the Association or its agents or employees, the Board of Directors, or the Commissioner or his representatives for any action taken by them in the performance of their powers and duties under this title.

SEC. 117. All proceedings in which the insolvent insurer is a party or is obligated to defend a party in any court in the District shall be stayed for sixty days from the date the insolvency is determined to permit proper defense by the Association of all pending causes of action. As to any covered claims arising from a judgment under any decision, verdict, or finding based on the default of the insolvent insurer or its failure to defend an insured, the Association either on its own behalf or on behalf of such insured may apply to have such judgment, order, decision, verdict or finding set aside by the same court or administrator that made such judgment, order, decision, verdict or finding and shall be permitted to defend against such claim on the merits.

SEC. 118. (a) The Commissioner shall by order terminate the operation of the District of Columbia Insurance Guaranty Association as to any kind of insurance afforded by property or casualty insurance policies with respect to which he has found, after hearing, that there is in effect a statutory or voluntary plan which:

(1) is a permanent plan which is adequately funded or for which adequate funding is provided; and

(2) extends or will extend to District of Columbia policyholders and residents protection and benefits with respect to insolvent insurers not substantially less favorable and effective to such policyholders and residents and the protection and benefits provided with respect to such kind of insurance under this title.

(b) The Commissioner shall by the same such order authorize discontinuance of future payments by insurers to the District of Columbia Insurance Guaranty Association with respect to the same kinds of insurance: *Provided*, That assessments and payments shall continue, as necessary, to liquidate covered claims of insurers adjudged insolvent prior to said order and the related expenses not covered by such other plan.

(c) In the event the operation of any account of the District of Columbia Insurance Guaranty Association shall be so terminated as to all kinds of insurance otherwise within its scope, the Association as soon as possible thereafter shall distribute the balance of moneys and assets remaining in said account (after discharge of the functions of the Association with respect to prior insurer insolvencies not covered by such other plan, together with related expenses) to the insurers which are then writing in the District policies of the kinds of insurance covered by such account, and which had made payments into such account, prorata upon the basis of the aggregate of such payments made by the respective insurers to such account during the period of five years next preceding the date of such order. Upon completion of such distribution with respect to all of the accounts specified in section 105, this title shall be deemed to have expired.

SEC. 119. The Commissioner is authorized to delegate any of the functions vested in him by this title.

TITLE II—AMENDMENT OF THE LIFE INSURANCE ACT OF THE DISTRICT OF COLUMBIA TO INCREASE CAPITAL REQUIREMENTS OF LIFE INSURANCE COMPANIES

SEC. 201. Section 8, chapter III of the Life Insurance Act (48 Stat. 1145) as amended (D.C. Code, sec. 35–508(a)), is amended by striking out the figure "$200,000" in the first sentence thereof and inserting in lieu thereof the figure "$1,000,000" and by striking out the figure "$150,000" in the last sentence thereof and inserting in lieu thereof the figure "$1,500,000".

SEC. 202. (a) Subsection (10)(b)(ii) of section 35 of chapter III of the Life Insurance Act of the District of Columbia (48 Stat. 1145) as amended (D.C. Code, sec. 35–535(10)(b)(ii)), is amended by striking out the figures "$300,000" and "$150,000", respectively, and inserting in lieu thereof the figure "$1,500,000".

(b) Subsection (15)(ii) of section 35 of chapter III of such Act, as amended (D.C. Code, sec. 35–535(15)(ii)), is amended by striking out the figures "$300,000" and "$150,000", respectively, and inserting in lieu thereof the figure "$1,500,000".

(c) Subsection (b) of section 8, chapter III of the Life Insurance Act, as amended (48 Stat. 1145; D.C. Code, sec. 35–508(b)), is amended by adding after the word "subsection", the words "or subsequent amendment" and by adding after the words "stock company" the words "or the minimum surplus required of a mutual company."

SEC. 203. This title shall take effect thirty days after its enactment.

TITLE III—AMENDMENT OF THE LIFE INSURANCE ACT OF THE DISTRICT OF COLUMBIA TO INCREASE GROUP TERM LIFE INSURANCE AMOUNT LIMITATIONS

SEC. 301. Sections 10(1)(d), 10(3), 10(4)(d), 10(6)(d), and 10(9)(d) of chapter V of the Life Insurance Act (48 Stat. 1145), as amended (D.C. Code, secs. 35–710 (1)(d), (3)(d), (4)d), (6)(d), and (9)(d)), are amended (1) by striking out the figure "$20,000" and inserting in lieu thereof the figure "$30,000"; (2) by striking out the figure "$40,000" and inserting in lieu thereof the figure "$100,000"; and (3) by striking out the figure "150" and inserting in lieu thereof the figure "300."

SEC. 302. The first sentence of section 11 of chapter V of the Life Insurance Act, (49 Stat. 1145) as amended (D.C. Code 35–711), is amended by deleting the word "and" between clauses (b) and (c), by deleting the colon at the end of clause (c) and substituting a semicolon therefor, and by adding a new clause (d) as follows: "and (d) that subject to the terms of the policy any person insured under a group life insurance contract, whether issued before or after the effective date of this clause, may make to any person, other than his employer, an absolute or collateral assignment of any or all the rights and benefits conferred on him by any provision of such policy or by law, including specifically, but not by way of limitation, any right to designate a beneficiary or beneficiaries thereunder and any right to have an individual policy issued upon termination either of employment or of said policy of group life insurance, but nothing herein shall be construed to have prohibited an insured from making an assignment of all or any part of his rights and privileges under the policy before the effective date of this clause and, subject to the terms of the policy, an assignment by an insured before or after the effective date of this clause is valid for the purposes of vesting in the assignee all rights and privileges so assigned, but without prejudice to the insurer on account of any payment it may make or individual policy it may issue prior to receipt of notice of the assignment."

TITLE IV—AMENDMENT OF THE FIRE AND CASUALTY ACT REGULATING THE BUSINESS OF FIRE, MARINE, AND CASUALTY INSURANCE IN THE DISTRICT OF COLUMBIA

SEC. 401. Sections 13 and 14 of chapter II of the Fire and Casualty Act (54 Stat. 1070) as amended (D.C. Code, secs. 35–1316 and 35–1317), are amended to read as follows:

"§ 13. Minimum Capital and Surplus Requirement.

"Every stock company authorized to do business in the District shall have and shall at all times maintain a paid-up capital stock of not less than $300,000, and a surplus of not less than $300,000. Every domestic mutual company and every domestic reciprocal company shall have and shall at all times maintain a surplus of not less than $300,000, and every foreign or alien mutual company and every foreign or alien reciprocal company shall have and shall at all times maintain a surplus of not less than $400,000.

"§ 14. Corporations Heretofore Formed.

"No company shall be exempt from the provisions of this subsection by reason of its having been incorporated in the District or elsewhere prior to the effective date of this subsection, except that, in the case of companies authorized in the District on the date of approval of this subsection and continuously thereafter without any increase of authority, the minimum capital and surplus required of a stock company, and the minimum surplus required of a mutual or reciprocal company, or of a Lloyd's organization by the laws of the District heretofore applicable shall not be increased by this subsection, and provided also that in the case of such continuously authorized companies the provisions of section 24 relating to the names of companies, and the provisions of section 25 relating to the amount of surplus necessary to the issuance of policies having no provision for contingent liability, shall not be applicable."

SEC. 402. Section 25 of chapter II of the Fire and Casualty Act (54 Stat. 1070; D.C. Code, sec. 35–1329) is amended by striking out the figure "$300,000" and inserting in lieu thereof the figure "$600,000".

TITLE V—AMENDMENT OF AMOUNT OF CONTRACT WITH THE GOVERNMENT OF THE DISTRICT OF COLUMBIA FOR WHICH A SURETY BOND IS REQUIRED

SEC. 501. The Act approved June 28, 1906 (34 Stat. 546), as amended (D.C. Code, sec. 1–805), and the Act approved August 3, 1968 (82 Stat. 628; D.C. Code 1–804a), are amended by striking out the figure "$2,000" wherever it appears therein and inserting in lieu thereof the figure "$10,000".

The amendments were agreed to.

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may proceed shortly, at some point before the laying down of the unfinished business, to call up Calendar No. 726, S. 2219.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears no objection, and it is so ordered.

THE PRESIDENT'S REPORT TO THE NATION ON VIETNAM

Mr. GRIFFIN. Mr. President, as one American and one Senator, I was encouraged by the President's confident report to the Nation last night and the indicated steady pursuit of his disengagement policy.

If this courageous President gets the unified support which he deserves here at home, the prospects now for real peace look brighter than ever.

In a sense, this is a crucial period of testing for the American people as well as the South Vietnamese.

I am confident most Americans will stand with the President in this important hour as he moves into these critical negotiations.

I ask unanimous consent that the text of President Nixon's historic address to the Nation be printed at this point in the RECORD.

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

TEXT OF A TELEVISION AND RADIO REPORT BY THE PRESIDENT ON VIETNAM

During the past three weeks you have been reading and hearing about the massive invasion of South Vietnam by the Communist armies of North Vietnam.

Tonight, I want to give you a first hand report on the military situation in Vietnam, the decisions I have made with regard to the role of the United States forces in the conflict, and the efforts we are making to bring peace at the negotiating table.

Let me begin by briefly reviewing what the situation was when I took office, and what we have done since then to end American involvement in the war and to bring peace to the long-suffering people of Southeast Asia.

On January 20, 1969, the American troop ceiling in Vietnam was 549,000. Our casualties were running as high as 300 a week. Thirty thousand young Americans were being drafted every month.

Today, 39 months later, through our program of Vietnamization—helping the South Vietnamese develop the capability of defending themselves—the number of Americans in Vietnam by May 1st will have been reduced to 69,000. Our casualties—even during the present, all-out enemy offensive—have been reduced by 95 percent. Draft calls now average fewer than 5,000 men a month, and we expect to bring them to zero next year.

As I reported in my television address to the Nation on January 25, we have offered the most generous peace terms in both public and private negotiating sessions. Our most recent proposal provided for an immediate ceasefire; the exchange of all prisoners of war; the withdrawal of all forces within six months; and new elections in Vietnam, which would be internationally supervised, with all political elements including the Communists participating in and helping to run the elections. One month before such elections, President Thieu and Vice President Huong would resign.

Hanoi's answer to this offer was a refusal even to discuss our proposals and, at the same time, a massive escalation of their military activities on the battlefield. Last October, the same month when we made this peace offer to Hanoi in secret, our intelligence reports began to indicate that the enemy was building up for a major attack. Yet we deliberately refrained from responding militarily. Instead we patiently continued with the Paris talks, because we wanted to give the enemy every chance to reach a negotiated settlement at the bargaining table rather than to seek a military victory on the battlefield—a victory they cannot be allowed to win.

Finally, three weeks ago, on Easter weekend, they mounted their invasion of South Vietnam. Three North Vietnamese divisions swept across the demilitarized zone into South Vietnam—in violation of the treaties they had signed in 1954 and in violation of the understanding they had reached with President Johnson in 1968, when he stopped the bombing in North Vietnam in return for arrangements which included their pledge not to violate the DMZ. Shortly after the invasion across the DMZ, another three North Vietnamese divisions invaded South Vietnam further south. As the offensive progressed, the enemy indiscriminately shelled civilian population centers in clear violation of the 1968 bombing halt understanding.

The facts are clear. More than 120,000 North Vietnamese are now fighting in the South. There are no South Vietnamese troops anywhere in North Vietnam. Twelve of North Vietnam's thirteen regular combat divisions have now left their own soil in order to carry aggressive war onto the territory of their neighbors. Whatever pretext there was of a civil war in South Vietnam has now been stripped away.

What we are witnessing here—what is being brutally inflicted upon the Republic of Vietnam—is a clear case of naked and unprovoked aggression across an international border. The only word for it is invasion.

This massive attack has been resisted on the ground entirely by South Vietnamese forces. No United States ground troops have been involved. None will be involved. To support this defensive effort by the South Vietnamese I have ordered attacks on enemy military targets in both North and South Vietnam by the air and naval forces of the United States.

I have before me a report which I received this morning from General Abrams. He gives the following evaluation of the situation:

1. The South Vietnamese are fighting courageously and well in their self-defense, and inflicting very heavy casualties on the invading force, which has not gained the easy victory some predicted for it three weeks ago.

2. Our air strikes have been essential in protecting our own remaining forces and in assisting the South Vietnamese in their efforts to protect their homes and their country from a Communist takeover.

3. General Abrams predicts that there will be several more weeks of very hard fighting in which some battles will be lost and others will be won by the South Vietnamese. But he is convinced that, if we continue to provide air and sea support, the enemy will fail in its desperate gamble to impose a Communist regime on South Vietnam, and that the South Vietnamese will then have demonstrated their ability to defend themselves on the ground against future enemy attacks.

Based on this realistic assessment from General Abrams, and after consultation with President Thieu, Ambassador Bunker, Ambassador Porter, and my senior advisers in Washington, I have three decisions to announce tonight.

First, I have decided that Vietnamization has proved itself sufficiently that we can continue our program of withdrawing American forces without detriment to our overall goal of ensuring South Vietnam's survival as an independent country. Consequently, I am announcing tonight that over the next two months 20,000 more Americans will be brought home from Vietnam. This decision has the full approval of President Thieu and of General Abrams. It will bring our troop ceiling down to 49,000 by July 1—a reduction of half a million men since this Administration came into office.

Second, I have directed Ambassador Porter to return to the negotiating table in Paris tomorrow, but with one very specific purpose in mind. We are not resuming the Paris talks simply in order to hear more empty propaganda and bombast from the North Vietnamese and Viet Cong delegates, but to get on with the constructive business of making peace. We are resuming the Paris talks with the firm expectation that productive talks leading to rapid progress will follow through all available channels. As far as we are concerned, the first order of business will be to get the enemy to halt his invasion of South Vietnam, and to return the American prisoners of war.

Finally, I have ordered that our air and naval attacks on military installations in North Vietnam be continued until the North Vietnamese stop their offensive in South Vietnam.

I have flatly rejected the proposal that we stop the bombing of North Vietnam as a condition for returning to the negotiating table. They sold that package to the United States once before, in 1968, and we are not going to buy it again in 1972.

Look at the record. By July 1 we will have withdrawn over 90 percent of our forces that were in Vietnam in 1969. Before the enemy's invasion began, we had cut our air sorties in half. We have offered exceedingly generous terms for peace. The only thing that we have refused to do is to accede to the enemy's demand to overthrow the lawfully constituted government of South Vietnam and to impose a Communist dictatorship in its place.

As you will recall, I have warned on a number of occasions over the past three years that if the enemy responded to our efforts to bring peace by stepping up the war I would act to meet that attack, for three reasons: to protect our remaining American forces, to permit continuation of our withdrawal program, and to prevent the imposition of a Communist regime on the people of South Vietnam against their will, with the inevitable bloodbath that would follow for hundreds of thousands who have dared to oppose Communist aggression.

The air and naval strikes of recent weeks have been carried out to achieve these objectives. They have been directed only against military targets supporting the invasion of the South. They will not stop until that invasion stops.

The Communists have failed in their efforts to win over the people of South Vietnam politically. General Abrams believes that they will fail in their efforts to conquer South Vietnam militarily. Their one remaining hope is to win in the Congress of the United

States, and among the people of the United States, the victory they cannot win among the people of South Vietnam or on the battlefield in South Vietnam.

The great question then is how we, the American people, will respond to this final challenge.

Let us look at what the stakes are—not just for South Vietnam but for the United States and for the cause of peace in the world. If one country, armed with the most modern weapons by other countries, can invade another nation and succeed in conquering it, other countries will be encouraged to do exactly the same thing—in the Mideast, in Europe, and in other international danger spots. If the Communists win militarily in Vietnam, the risk of war in other parts of the world would be enormously increased.

We aren't trying to conquer North Vietnam or any other country. We want no territory. We seek no bases. We have offered the most generous peace terms—peace with honor for both sides—with South Vietnam and North Vietnam each respecting the other's independence.

But, we will not be defeated; and we will never surrender our friends to Communist aggression.

We have come a long way in this conflict. The South Vietnamese have made great progress and are now bearing the brunt of the battle. We can now see the day when no more Americans will be involved there at all.

But as we come to the end of this long and difficult struggle, we must be steadfast. We must not falter. For all that we have risked and all that we have gained over the years now hangs in the balance during the coming weeks and months. If we now let down our friends, we shall surely be letting down ourselves and our future as well. If we now persist, history will thank America for her courage and her vision at this testing time.

That is why I say let us bring our men home from Vietnam. Let us end the war in Vietnam. But let us end it in such a way that the younger brothers and sons of the brave men who have fought in Vietnam will not have to fight again in some other Vietnam at some time in the future.

Any man who sits here in this office feels a solemn and heavy weight of obligation to future generations. No man who sits here has the right to take any action which would abdicate America's great tradition of world leadership.

Earlier this year I traveled to Peking on an historic journey for peace. Next month I shall travel to Moscow on what I hope will also be a journey for peace. In the eighteen countries I have visited as President I have found great respect for the office of the President of the United States. I have reason to expect, based on Dr. Kissinger's report, that I shall find the same respect for the Presidency when I visit Moscow.

I do not know who will be in this office in the years ahead. But I do know that future Presidents will travel to nations abroad on journeys for peace as I have. If the United States betrays the millions of people who have relied on us in Vietnam, the President of the United States, whoever he is, will not deserve nor receive the respect which is essential if the United States is to play the great role we are destined to play of helping to build a new structure of peace in the world. It would amount to a renunciation of our morality, an abdication of our leadership among nations, and an invitation for the mighty to prey upon the weak all around the world. It would be to deny peace the chance peace deserves to have. This we shall never do.

Let us then unite as a nation in a firm and wise policy of peace—not the peace of surrender, but peace with honor—not only peace in our time, but peace for generations to come.

Thank you, and good night.

Mr. GRIFFIN. Mr. President, I was saddened to hear on the radio, and to check the wire and find that our colleague, the Senator from South Dakota (Mr. McGOVERN), has referred to President Nixon's speech last night as "political trickery and calculated deception."

Those are words that might be used by Madam Binh. But I am very disappointed to learn that they have been used by a Member of this Senate.

Certainly, I would not use such language in referring to a speech by any Member of this body. Indeed, if I were to do so, I would violate the rules of the Senate and could be taken off the floor.

Of course, the merits or demerits of President Nixon's policy are open to debate and criticism. But to use terms like that, which attack the character of the President, serve only to undermine his ability at the negotiating table in Paris—and that is a great disservice to the United States and to the chances for peace.

THE VETERANS' ADMINISTRATION HEALTH MANPOWER TRAINING ACT OF 1972

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of House Joint Resolution 748, and that the Senate proceed to the immediate consideration of the joint resolution.

The ACTING PRESIDENT pro tempore. The clerk will state the joint resolution by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 748) amending title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new State medical schools; the improvement of existing medical schools affiliated with the Veterans' Administration; and to develop cooperative arrangements between institutions of higher education, hospitals, and other public or nonprofit health service institutions, and the Veterans' Administration to develop and conduct educational and training programs for health care personnel.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. CRANSTON. Mr. President, I understand that the Senator from Tennessee (Mr. BROCK) has a brief statement and a question he would like to ask at this time.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

Mr. BROCK. Mr. President, I would just like to state briefly my very strong support of this legislation. I have one particular point which I have discussed with the Senator from California on past occasions regarding the possibility of having regional cooperative arrangements enhanced by passage of this legislation. I strongly believe that we should give consideration to those States which may reach agreement with sister States to assist in supporting the operation of a joint facility.

Mr. President, I believe that the committee has made a significant step toward addressing the problems that we face in providing adequate health care for all Americans.

I am particularly pleased that this bill recognizes the need for regionalization and dispersal of VA facilities to tap the potential which exists within the VA system to provide training facilities for area health education centers and medical schools to train doctors, other health and allied health professionals, nurses, and paramedical personnel. In its new role, the VA can continue to deliver excellent health services to our veterans and serve as a necessary adjunct to developing new health manpower resources.

While I respect the committee's desire to give the greatest degree of flexibility to the VA Administrator in selection of locations for such facilities, I believe that preference should certainly be given to areas where there is a demonstrated shortage of qualified medical personnel. To overlook this as a criteria would further complicate the already critical situation.

Today, regionalization is crucial to meeting the Nation's health care needs. Every American is entitled to receive medical attention at a reasonable cost and at a reasonable distance from his home. In order to provide this, we must maximize the potential use of our existing health manpower resources. The key to this is proper distribution of our doctors, nurses, and other medical personnel. While training more individuals to prevent future crises, we must now provide adequate incentives to insure equitable distribution. To date, this has not been done.

In the upper east Tennessee area we had a 6-percent gain in population between 1960 and 1968; yet, we lost 1 percent of our physicians during the same time. There are approximately 75 doctors per 100,000 people in this area or about half the national average. New York City on the other hand, is also described as a critical area. In this urban area there are 105 physicians per 100,000.

Moreover, there are little or no inducements for doctors to locate in the northeastern counties of my State. There are no medical schools near the Tri-City area despite the existence of several growth centers.

In view of the national health manpower crisis, the critical shortage of physicians in the Appalachian region and the potential for capitalization of new medical facilities contained in the pending bill, it would seem logical that a new medical facility be established in the upper east Tennessee region.

Mr. President, as I have stated some months ago I had a discussion with the distinguished floor manager of the pending bill concerning subchapter III—a pilot program for assistance in the establishment of new public nonprofit medical, health professions, and allied health schools and area health education centers.

In all, I believe enactment of the pending bill will greatly assist the Veterans' Administration in meeting the health manpower needs of this Nation. However, the concern I expressed during my conversation with Senator CRANSTON dealt with the question of how a State with a demonstrated need for a health manpower facility could share in the cost of financing and operation of the school or center with neighboring States who might benefit from its existence.

For example, in the Appalachian area of upper East Tennessee we have an existing VA facility which could qualify for assistance under this program. If a center was established in connection with the VA hospital, the citizens from the surrounding States of Kentucky, Virginia, West Virginia, North Carolina and Georgia will be the beneficiary of the center; yet, Tennessee has to bear the entire burden of maintaining such a facility. Such a situation is patently unfair.

In reviewing the committee report on S. 2219, I found that among the conditions formulated by the Senate Veterans Affairs Committee for the establishment of any new health professions or allied health school or area health education center was that:

> There must be adequate assurance of state or financial support for the proposed school or center. The committee expects the Department of Medicine and Surgery to examine with the greatest care the adequacy of likely present and future state financial support for the proposed new institution. It is expected that his will be extremely important criterion (along with the strength of assurances of accreditation) for providing assistance, given the likely extreme competition among applicants for limited funds.

In view of this emphasis, I strongly considered offering an amendment today to require that where out of State students comprise a significant proportion of the enrolled students of a particular school, the State of origin should share a pro rata cost of operating that facility. Since, at present, adoption of such a proposal appears unfeasible, I would like to establish legislative history for an alternative approach which might offer some relief to States obtaining a facility which is utilized by neighboring States. Such relief might be found by formation of a voluntary consortium of States who agree to support the cost of operation of a facility which directly benefits them.

Unfortunately, the committee has made no mention of this alternative and I feel it merits some discussion. I am uncertain as to how such an arrangement would be viewed by the VA. If acceptable, what priority would be given it? Does not a cooperative financing agreement between States tend to promote the equitable use of that facility, maximize its efficiency, and give greater assurance against recapture of the facility from lack of funds?

It is true that there is nothing in this legislation which would prohibit the formation of such a cooperative arrangement between States to insure that adequate funding is forthcoming during and after the initial assisted period.

Because I strongly believe that we should give consideration to such States who reach agreement with other sister States to participate in the support and operation of an assisted facility. I would ask the distinguished senior Senator from California if he would clarify the committee's intent on cooperative agreements.

Mr. CRANSTON. Mr. President, I recall very well the conversations with the distinguished Senator from Tennessee. As he indicates, there is nothing in this legislation that would prevent the consideration of programs submitted based upon financial support from two or more States. Indeed, this type of financing arrangement would fall completely within the purview of this subchapter. It is expected that the Department of Medicine and Surgery would consider that such a compact, if it offered adequate financial support, satisfied the "adequate support" criterion, as envisioned by the committee.

Mr. BROCK. I am very grateful for the Senator's response. I share his opinion of the intent and content of the language of the bill. I raise the question for only one reason: When we established the so-called regional concept a number of years ago, we found shortages of medical personnel in New York, Tennessee, and points in between, with little incentive for doctors to locate in the Appalachian region and no training facilities. If we were fortunate enough to secure a site for a facility in the Appalachian region, it would be for the benefit of all the States, because all the young people of the region would have an opportunity to use that facility for their own educational benefit.

I am particularly grateful to the Senator from California for his sponsorship of this measure. I have consulted with my senior colleague in the Senate and my colleagues from Tennessee in the House of Representatives, and they are in accord with my views. I thank the Senator very much for what I consider a fine bill, and for his response to my question.

Mr. CRANSTON. I thank the Senator. I appreciate his help in connection with this bill, and look forward to an Appalachian proposal being submitted to the VA.

Mr. President, I rise to speak in support of the provisions of S. 2219, the proposed Veterans' Administration Health Manpower Training Act of 1972—which I introduced on June 22 last year—as I reported it from the Committee on Veterans' Affairs last Friday, April 21. I have asked the leadership that rather than take up S. 2219 we take up instead the House-passed companion measure—House Joint Resolution 748—and that the provisions of S. 2219 as reported be inserted in lieu of the text of the House bill. I thank the leadership for their cooperation in clearing this bill for action so swiftly.

Before proceeding further I wish to note that S. 2219 is now cosponsored by the following 19 Senators: the chairman of the Committee on Veterans' Affairs (Mr. HARTKE), the ranking minority member (Mr. THURMOND); the following five other members of that committee, the Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), who has been particularly interested in and instrumental in securing favorable committee action on S. 2219, the Senator from Iowa (Mr. HUGHES), the Senator from Ohio (Mr. SAXBE), and the Senator from Vermont (Mr. STAFFORD); and the following: the Senator from Texas (Mr. BENTSEN), the Senator from New Jersey (Mr. CASE), the Senator from Missouri (Mr. EAGLETON), the Senator from South Carolina (Mr. HOLLINGS), the Senators from Minnesota (Mr. MONDALE and Mr. HUMPHREY), the Senator from Montana (Mr. MANSFIELD), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), the Senator from Texas (Mr. TOWER), and the Senator from New Jersey (Mr. WILLIAMS).

In addition to the cosponsors of the bill including almost all members of the Veterans' Affairs Committee, I think it is extremely significant that the bill is cosponsored by seven members of the Senate Health Subcommittee and most particularly by the chairman of the full parent committee, the distinguished Senator from New Jersey (Mr. WILLIAMS), who has been extremely interested in this bill from the time of its introduction when he was an original cosponsor. I feel that my membership and experience on the Senate Health Subcommittee has helped me enormously in developing the provisions of this bill.

S. 2219 was the subject of comprehensive hearings before the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Veterans' Affairs Committee. The bill was acted upon unanimously both by that subcommittee and the full committee, adopting a committee substitute amendment I proposed making modifications in the original bill based upon our hearing record.

Mr. President, passage of the bill we consider this morning will be a historic breakthrough in mobilizing the vast medical resources of the VA to help not only veterans but all Americans.

The committee substitute gives a new basic mission to the 42-year-old VA Department of Medicine and Surgery: to assist in providing an adequate supply of health manpower to the entire Nation.

This new VA mission will rank in importance second only to the VA's tradi-

tional function of providing complete medical and hospital services to veterans.

The committee substitute bill authorizes an $875 million appropriation—$125 million annually for the next 7 years beginning in fiscal 1973—to expand the VA's health care manpower training programs and those of affiliated schools.

The Veterans' Administration health and hospital system, with its proposed budget for fiscal year 1973 of almost $2.8 billion, is already the largest single source of health care manpower training in the United States. Presently, more than 53,000 medical and health care personnel are receiving education and training in VA medical facilities. In fiscal year 1971, the figures were:

Medical residents	8,975
Dental residents	188
Medical interns	1,877
Dental interns	113
Medical and osteopathic students	12,567
Dental students	1,018
Nurses	15,869
Other professionals (at graduate level)	3,298
Allied health trainees	8,811
Administrative trainees	370
Total	53,086

Mr. President, the committee report (No. 757) summarizes the provisions of the committee substitute and compares them with House Joint Resolution 748 as follows:

SUMMARY OF PROVISIONS

1. Expands the primary function of the VA Department of Medicine and Surgery to include assisting in providing an adequate supply of health care manpower for national needs in addition to providing a complete medical and hospital service for veterans. Requires a separate line item in the annual budget for estimated expenditures for the education and training of health care manpower. Places special emphasis on programs to recruit and train veterans with medical military occupation specialties and to employ them in the VA, enabling them to pursue civilian health careers.

2. Authorizes a program for continuing medical education for health care staff of VA medical facilities and staff of other Federal medical facilities and members of the surrounding medical community on a reimbursable basis utilizing certain VA hospitals as "Regional Medical Education Centers." This would help keep VA medical care modern and innovative and also help the VA recruit new and high quality health professionals.

3. Directs that, to the extent feasible, any new VA hospital be constructed in close proximity to a medical school. This would ensure maximum utilization of the VA potential for training medical personnel while ensuring the highest quality of medical care for the VA hospital patient.

4. Authorizes for each of seven fiscal years beginning in FY 1973 the appropriation of $125 million for three major programs which would be established (all stressing development of innovative health programs, greater opportunities for the disadvantaged, and development of new types of training procedures and types of health care personnel):

A. Expansion of the VA's own hospital education and training capacity through remodeling and renovation of existing facilities to provide for expanded education programs as well as through special allocations to particular VA hospitals to develop, or develop and initiate, programs for improved methods of education and training (up to 30% of the amount appropriated each year may be used for this purpose);

B. VA grants to public non-profit institutions to assist in the establishment of up to ten new medical and other health professions and allied health schools or area health education centers. VA assistance could include the leasing cost-free to the institution of unused VA hospital and other health facilities; remodeling and extension of such facilities when necessary to make them suitable for such educational purposes; and reimbursement of the costs of faculty salaries for the first seven years of the operation of the new school or center—90% for the first three years, decreasing by 10% each year for the next four years to 50% in the seventh year. Provisions are included to ensure the maintenance of high standards both of education and the health care provided in such facilities, including appropriate consultation with the Secretary of HEW and academic accrediting bodies. No less than $25 million of the amount appropriated each year shall be used for this purpose.

C. VA grants to any non-profit medical and other health professions, allied health or other health personnel training institution or area health education center, which maintains a teaching affiliation with the VA Department of Medicine and Surgery, for the purpose of expanding and improving the capacity of those institutions to train health care manpower. Such grants could include funds for remodeling and extension of existing education facilities at such institutions, but not for construction of new free-standing facilities. Again, provision is made for appropriate consultation with the Secretary of HEW and for receiving reasonable assurance from recognized academic accrediting bodies that the caliber of training will not be diminished due to substantial increases in the number of trainees at the recipient institutions. COST: $125 million annually if full authorization amount is appropriated.

COMPARISON WITH H.J. RES. 748

With respect to point 4 above, the Committee substitute is very similar in basic purpose and in much of its content to H.J. Res. 748. The House bill does not contain points 1, 2, and 3, although another House-passed bill, H.R. 10880, contains a provision similar to the purpose of part of point 1. The basic differences in the approach to point 4 are: (1) The amount of authorization of appropriations (House—$33–34 million; Senate—$125 million annually); (2) S. 2219 leaves more discretion to the Administrator in terms of which the three programs he chooses to stress to expand the production of health manpower (although earmarking $25 million for the establishment of new schools or centers); (3) In addition, the House bill has no provision comparable to that explained in point 4.A. above (expansion of VA's own health manpower training capability); (4) would authorize only 5, as compared to 10 (in S. 2219) new schools; (5) provides major assistance only for new medical schools rather than, as in S. 2219, including other health professions and allied health schools and area health education centers on the same footing as medical schools; (6) makes assistance to expand existing capacities of schools contingent on 50% matching, the same as the very limited assistance ($3–4 million) it authorizes to be appropriated for assistance to expand training capacities in other health professions and allied health schools and consortiums thereof; and (7) generally contains less specificity with regard to the obligations and program requirements imposed on the recipients of assistance and the caliber of the education programs carried out by such recipients (for example, the House bill contains no program for recapture of assisted facilities upon failure to carry out the agreement with the VA).

Mr. President, at least $175 million of the total 7-year authorization in the committee substitute would be earmarked over the 7-year period for grants to universities and colleges to help them establish up to 10 new public medical schools, other health professions and allied health schools and area health education centers in affiliation with VA medical facilities. Schools would have to provide assurances that adequate non-VA support from a State, a combination of States or otherwise, as well as academic accreditation, would be forthcoming.

Under the committee substitute, existing VA facilities would form the clinical nucleus of these new schools, but, and it is extremely important to stress this, the VA would retain sole responsibility for the administration of its hospitals and clinics and for the quality of medical care provided for VA patients. Present VA facilities could, under the committee substitute, be expanded at VA expense to provide more teaching space, and the VA would also subsidize a very substantial portion of teaching salaries at the new schools—90 percent the first 3 years decreasing to 50 percent in the seventh year. Existing VA facilities not in use could be leased to universities and colleges for these new schools.

In addition to establishment of these new schools, the committee substitute would authorize the VA to provide substantial assistance to medical, or other health professions and allied health schools and other institutions training health care manpower, including area health education centers, in order to expand and improve their training programs.

Third, the VA would be able to spend up to $37.5 million annually to expand its own education and training programs. A 1971 survey of all VA hospitals health care manpower capacity showed that over 12,000 additional physicians, dentists, nurses, and allied health and paramedical personnel could be trained if existing capacity were fully utilized through additional funding. This would entail certain space modifications and renovations, and payment of stipends for traineeships and certain research projects.

A full hospital-by-hospital description of training capacity is set forth in appendix A of the subcommittee hearings. For example, the situation for the 10 VA hospitals and facilities then existing in California showed that 941 new health care personnel could be trained through the expenditure of $4.9 million. I ask unanimous consent, Mr. President, that the charts containing this California data be set forth in the RECORD at this point.

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

FRESNO, CALIF.

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Medical resident (noncareer)	3	
Basic nursing student	76	Fresno State College, Fresno, Calif.
Graduate nursing student	3	Do.
Social work student (master's)	3	Do.

FRESNO, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
EXPANDABLE PROGRAMS						
Dental assistant trainee	$21,285	0	$21,285	0	0	4
Social work student	31,722	$17,940	12,932	$850	0	6
Total	53,007	17,940	34,217	850	0	10
NEW PROGRAMS						
Dietetic intern			0	0	0	11
Practical nurse student	13,846	0	13,846	0	0	16
Total	13,846	0	13,846	0	0	16
Grand total	66,853	17,940	48,063	850		37

LIVERMORE, CALIF.,

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Category of training:		
Medical resident (noncareer)	15	
Dental assistant trainee	6	Chabot College, Hayward, Calif.
Audiology and speech pathology student (master's).	9	San Jose State College, San Jose, Calif.
Social work student (master's)	2	University of California, Berkeley, Calif.
Physical therapist student	9	University of California Medical Center, San Francisco, Calif., Boston University, Boston, Mass.
Basic nursing student	1	Chabot College, Hayward, Calif.
Practical nurse student	12	Livermore Board of Education.,
Professional nursing student	9	

LIVERMORE, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
EXPANDABLE PROGRAMS						
Dental assistant trainee						16
Practical nurse student	$11,500		$11,500			15
Social work student	17,980	$5,980	12,000			2
Hospital librarian student	7,649	7,649				1
Audiology and speech training	3,335	3,335				1
Total	40,464	16,964	23,500			35
NEW PROGRAMS						
Dental hygienist training	46,000			$12,000	$34,000	15
Occupational therapy student	25,213	13,734	11,479			2
X-ray technician training	8,982		8,982			2
Total	98,195	13,734	20,461	12,000	34,000	19
Grand total	120,659	30,698	43,961	12,000	34,000	54

LONG BEACH, CALIF.

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Medical resident (noncareer)	168	
Career psychiatry resident	2	
Career neurology resident	1	
Career P.M. & R. resident	1	
Career radiology resident	2	
Career pathology resident	3	
Dental resident (noncareer)	3	
Career dental resident	7	
Career dental intern	2	
Medical student 2d 2 school years	121	University of California, College of Medicine, Irvine, Calif.
Basic nursing student	249	Long Beach City College, Long Beach, Calif.; California State College, Long Beach, Calif.; St. Vincent's College of Nursing, Los Angeles, Calif.
Practical nurse student	196	Long Beach City College, Long Beach, Calif.
Psychology student (graduate)	6	University of Southern California, Los Angeles, Calif.; University of California, Los Angeles, Calif.; Catholic University, Washington, D.C.; University of Arizona, Tucson, Ariz.
Vocational rehabilitation counselor student.	6	California State College, Los Angeles, Calif.
Social work student (master's)	4	California State College, San Diego, Calif.
Social work student (baccalaureate)	4	California State College, Long Beach, Calif.
Occupational therapist student	10	San Jose State College, San Jose, Calif.; Colorado University, Ft. Collins, Colo.; Boston University, Boston, Mass.; Eastern Michigan University, Ypsilanti, Mich.; University of Wisconsin, Madison, Wis.
Physical therapist student	18	Loma Linda University, Loma Linda, Calif.; California State College, Long Beach, Calif.; Childrens Hospital, Los Angeles, Calif.
Corrective therapist student	9	California State College, Long Beach, Calif.
Dietetic student	15	California State College, Long Beach, Calif.
Medical technologist student	12	California State College, Long Beach, Calif.; California State College, San Bernardino, Calif.; University of California, Riverside, Calif.; Mount St. Mary's College, San Francisco, Calif.
Histologic or histopathology technician trainee.	4	
Radiologic technologist trainee	29	Long Beach City College, Long Beach, Calif.; Fullerton Junior College, Fullerton, Calif.
Prosthetic representative trainee	1	
Building management officer trainee	1	
Paramedical services orientation (nursing home employees).	26	Compton Convalescent Hospital, Compton, Calif.; Sunlight Newport Convalescent Hospital, Newport Beach, Calif.; Sunlight Norwalk Convalescent Hospital, Norwalk, Calif.; Leisure Golden Hours Convalescent Hospital, Torrance, Calif.; Woodruff Convalescent Hospital, Bellflower, Calif.; Orange West Convalescent Hospital, Buena Park, Calif.; Huntington Beach Convalescent Hospital, Huntington, Beach, Calif.; Sunlite Park Convalescent Hospital, Fullerton, Calif.

LONG BEACH, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
EXPANDABLE PROGRAMS						
Dental assistant trainee	$17,200	0	$16,000		$1,200	16
Social work (MSW)	35,800	$19,800	14,000		2,000	6
Occupational therapy trainee	36,150	26,000	9,900		250	8
Physical therapy trainee	10,150	0	9,900		250	6
Corrective therapy trainee	10,150	0	9,900		250	4
Dietetic student	0	0	0		0	4
Medical technology trainee	73,000	19,000	39,000		15,000	4
Medical radiology technologist	40,000	30,000	10,000		0	8
Total	222,450	94,800	108,700		18,950	56
NEW PROGRAMS						
Dental laboratory trainee	23,800	0	22,000		1,800	8
Audiology and speech pathologist (M.S.)	39,000	11,000	14,000		14,000	2
Audiology and speech pathologist (Ph. D.)	40,000	12,000	14,000		14,000	2
Social worker (B.A.)	0	0	0		0	4
Social worker assistant	10,000	0	10,000		0	4
Manual arts therapy trainee	37,750	27,600	9,900		250	6
Occupational therapy assistant trainee	18,900	18,400	0		500	4
Physical therapy assistant trainee	18,500	18,000	0		500	4
Pharmacy intern	9,000	9,000	0		0	1
Pharmacy resident	11,000	11,000	0		0	1
Dietetic affiliate	10,000	0	10,000		0	6
Cytotechnical trainee	21,000	7,000	10,000		4,000	2
Medical technologist trainee	19,000	5,000	10,000		4,000	4
Pathology assistant trainee	21,000	7,000	10,000		4,000	2
Autopsy assistant trainee	19,000	5,000	10,000		4,000	2
Hospital library trainee	26,000	15,000	10,000		1,000	2
Hospital library student	15,000	15,000	0		0	2

LONG BEACH, CALIF.—Continued

II. POTENTIAL EXPANSION BY SEPTEMBER 1971—Continued

Training program	Additional dollars needed					Number of additional and new trainees
	Total	Stipends	Instructor salaries	Space	Other costs	
Radiation therapy trainee	$4,000	$4,000	0		0	2
Orthodontic/prosthetic trainee	6,000	6,000	0		0	1
Orthodontic/prosthetic aid	6,000	6,000	0		0	1
Prosthetic representative trainee	7,000	7,000	0		0	1
Medical receiving library trainee	6,600	6,600	0		0	1
Medical receiving library technical trainee	6,000	6,000	0		0	1
Inhalation therapy trainee	13,000	5,000	$8,000		0	2
Cardiopulmonary technician	2,500	2,500	0		0	1
Monitoring technician	72,500	60,000	12,000		$500	10
Operating room technician	72,500	60,000	12,000		500	10
P.M. & R. coordinator	10,000	10,000	0		0	1
Hospital administration resident	12,000	12,000	0		0	1
Graduate engineer trainee	8,000	8,000	0		0	1
Personnel management trainee	8,000	8,000	0		0	1
Accountant trainee	8,000	8,000	0		0	1
Building management trainee	8,000	8,000	0		0	1
Management analyst trainee	10,000	10,000	0		0	1
Supply management trainee	8,000	8,000	0		0	1
Medical administrative assistant trainee	8,000	8,000	0		0	1
Volunteer services office trainee	8,000	8,000	0		0	1
Library technican	15,000	15,000	0		0	2
Emergency room technician	30,000	30,000	0		0	5
Psychiatry technical trainee	62,500	50,000	12,000		500	10
Total	730,550	507,100	173,900		49,550	113
Grand total	953,000	601,900	282,600		68,500	169

LOS ANGELES, CALIF. (WADSWORTH)

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Medical resident (noncareer)	258	
Medical intern	36	
Career psychiatry resident	5	
Career P.M. & R. resident	6	
Career radiology resident	3	
Career anesthesiology resident	2	
Career pathology resident	3	
Dental resident (noncareer)	3	
Dental intern (noncareer)	7	
Career dental resident	4	
Career dental intern	2	
Medical student, 2d 2 school years	72	University of California at Los Angeles School of Medicine, Los Angeles, Calif.
Dental assistant trainee	12	Los Angeles City College, Los Angeles, Calif.
Dental laboratory technician trainee	36	Do.
Basic nursing student	580	El Camino College, Torrance, Calif.; Santa Monica College, Santa Monica, Calif.; Los Angeles Southwest College, Los Angeles, Calif.; University of California, Los Angeles, Calif.; Los Angeles City College Los Angeles, Calif.; Queen of Angels Hospital, Los Angeles, Calif.; California State College, Los Angeles, Calif.; East Los Angeles College, Los Angeles, Calif.; Hollywood Presbyterian Hospital, Los Angeles, Calif.
Practical nurse student	19	Santa Monica College, Santa Monica, Calif.
Audiology and speech pathology student (master's)	5	Valley State College, San Fernando, Northridge, Calif.; California State College, Los Angeles, Calif.; University of Southern California, Los Angeles, Calif.
Psychology student (graduate)	13	University of California, Los Angeles, Calif.; University of Southern California, Los Angeles, Calif.
Vocational rehabilitation counselor student	19	California State College, Los Angeles, Calif.
Social work student (master's)	6	University of California, Los Angeles, Calif.
Occupational therapist student	21	San Jose State College, San Jose, Calif.; University of New Hampshire, Durham, N.H.; Richmond Professional Institute, Richmond, Va.; Eastern Michigan University, Ypsilanti, Mich.; University of Puget Sound, Tacoma, Wash.; University of Kansas, Lawrence, Kans.; Loma Linda University, Loma Linda, Calif.; Los Angeles City College, Los Angeles, Calif.
Physical therapist student	35	University of Southern California, Los Angeles, Calif.; Loma Linda University, Loma Linda, Calif.; Children's Hospital of Los Angeles, Los Angeles, Calif.; San Fernando Valley State College, Northridge, Calif.; University of California, Los Angeles, Calif.
Recreation specialist student	3	University of Kansas, Lawrence, Kans.; Alverno College, Milwaukee, Wis.
Occupational therapy assistant trainee	2	Los Angeles City College, Los Angeles, Calif.
Pharmacy resident	2	University of Southern California, Los Angeles, Calif.
Dietetic intern	29	San Diego State College, San Diego, Calif.; University of California, Santa Barbara, Calif.; University of Houston, Houston, Tex.; Fresno State College, Fresno, Calif.; University of Nebraska, Lincoln, Nebr.; Case Western Reserve, Cleveland, Ohio; Duchesne College, Omaha, Nebr.; University of Arizona, Tucson, Ariz.; Iowa State University, Ames, Iowa, Southeastern Louisiana, Hammond, La.; Utah State University, Logan, Utah; University of Illinois, Urbana, Ill.; California State Polytechnic, San Luis Obispo, Calif.; University of Connecticut, Storrs, Conn.; California State College; Los Angeles, Calif.; Douglass College, New Brunswick, N.J.; Arizona State University, Tempe, Ariz.; California State Polytechnic, Pomona, Calif.; Mount Mary College, Milwaukee, Wis.; University of California, Davis, Calif.; Colorado State University, Fort Collins, Colo.; University of Nebraska, Omaha, Nebr.; University of California, Los Angeles, Calif.
Medical technologist student	6	
Hospital librarian work-study trainee	1	University of California, Los Angeles, Calif.
Radiologic technologist trainee	34	
Medical student anesthesiology trainee	3	University of California at Los Angeles School of Medicine, Los Angeles, Calif.; Jefferson Medical College, Philadelphia, Pa.; University of Texas Southwestern Medical School, Dallas, Tex.
Research and Education trainee	4	University of California at Los Angeles School of Medicine, Los Angeles, Calif.
Accountant trainee	3	
Management analyst trainee	2	
Director, voluntary service trainee	1	
Animal Facilities research supervisor	6	
Nuclear medicine physician trainee	2	
Radiopharmacy student	2	University of Southern California, Los Angeles, Calif.
Animal facilities, research supervisor	6	

LOS ANGELES, CALIF. (WADSWORTH)

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed					Number of additional and new trainees
	Total	Stipends	Instructor salaries	Space	Other costs	
EXPANDABLE PROGRAMS						
Dental assistant trainee	$7,800	$7,200			$600	3
Dental laboratory technician trainee	11,010		$10,210		800	10
Audiology and speech pathology student (in master's degree training)	22,130	21,630		$500		2
Occupational therapist student (in baccalaureate or higher training)	22,881	13,000	9,881			3
Pharmacy resident	65,850	62,250	2,808			4
Medical technologist student (in program approved by AMA Council on Medical Education)	116,612	89,622	11,855	1,850	13,185	6
Hospital librarian work-study trainee (as described in M-3, pt. 11, par. 5.13b)	19,644	19,644				2
Radiologic technologist trainee—also known as medical radiology technician, medical radiological technician, X-ray technician, etc. (in program approved by AMA Council on Medical Education)	152,056	143,100	8,956			18
Orthotist-prosthetist trainee	58,740	32,740	13,000	12,000	1,000	4
Total	475,831	389,186	55,710	14,350	15,585	52

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
NEW PROGRAMS						
Social work student (in master's degree training)		$6,638	$14,192	$500		2
Histologic or histopathology technician trainee (supervised laboratory training, acceptable for trainee to be examined for certification as histologic technician)		11,706				2
X-ray technician trainee (in other than program approved by AMA Council on Medical Education)		14,400	7,294		$1,000	8
Radiologist's assistant trainee		29,088				4
Total	$84,818	61,832	21,486	500	1,000	16
Grand total	560,649	451,018	78,196	14,850	16,585	68

LOS ANGELES, CALIF. (BRENTWOOD)

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
EXPANDABLE PROGRAMS						
Psychology student	$22,640	$8,640	$17,000			12
Vocational rehabilitation counselor	77,000		77,000			12
Total	102,640	8,640	94,000			24
NEW PROGRAMS						
Biomedical instructor technician	25,400	10,400	15,000			4
Grand total	128,040	19,040	109,000			28

LOS ANGELES, CALIF. (OUTPATIENT CLINIC)

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Audiology and speech pathology student (doctoral).	4	Universtiy of Southern California, University Park, Los Angeles, Calif.
Audiology and speech pathology student (master's).	3	California State College at Los Angeles, Los Angeles, Calif.
Psychology student (graduate)	4	University of California at Los Angeles, Los Angeles, Calif.
Social work student (master's)	8	San Diego State College Graduate School of Social Work, San Diego, Calif.; University of Southern California Graduate School of Social Work, Los Angeles, Calif.; School of Social Welfare, University of California at Los Angeles, Los Angeles, Calif.
Occupational therapist student	5	Boston University Sargents College, Boston, Mass.; San Jose State College, San Jose, Calif.

LOS ANGELES, CALIF. (OUTPATIENT CLINIC)

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
NEW PROGRAMS						
Dental assistant trainee	$12,000	$6,000	$5,000	None	$1,000	20
Dental laboratory technician trainee	15,800	9,000	5,000	$1,000	800	22
Audio and speech path student doctoral post	21,611	6,000	15,611	None	None	1
Audio and speech path student masters	9,395	7,210	None	None	2,185	2
Social work student masters program	60,707	22,000	15,611	7,600	15,496	10
Pharmacy assistant trainee	16,972	10,424	6,548	None	None	2
Prosthetic repair trainee	6,748	6,548	None	None	200	1
Grand total	143,233	67,182	47,770	8,600	19,681	58

MARTINEZ, CALIF.

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Medical resident (noncareer)	44	
Medical intern	30	
Career pathology resident	2	
Dental intern (noncareer)	1	
Career dental intern	1	
Dental assistant trainee	2	Diablo Valley College, Pleasant Hill, Calif.
Dental hygienist trainee	12	Do.
Basic nursing student	165	Contra Costa College, San Pablo, Calif.; Kaiser Foundation Hospital, Oakland, Calif.
Practical nurse student	51	Contra Costa College, San Pablo, Calif.
Psychology student (graduate)	1	University of California, Berkeley, Calif.
Social work student (master's)	2	Sacramento State College, Sacramento, Calif.
Occupational therapist student	4	San Jose State College, San Jose, Calif.
Physical therapist student	8	University of California Medical Center, San Francisco, Calif.
Chaplain resident	5	Graduate Theological Union, Berkeley, Calif.

MARTINEZ, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
EXPANDABLE PROGRAMS						
Dental assistant trainee	0	0	0	0	0	1
Total	0	0	0	0	0	1
NEW PROGRAMS						
Speech pathology	$10,420	$10,420	0	0	0	2
Graduate engineer trainee	11,458	10,528	0	0	$930	1
Accounting trainee	10,873	9,988	0	0	885	1
Building management trainee	8,837	8,098	0	0	739	1
Supply management trainee	8,837	8,098	0	0	739	1
Total	50,425	47,132			3,293	6

PALO ALTO, CALIF.

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Medical resident (noncareer)	129	
Medical intern	21	
Career psychiatry resident	1	
Career P.M. & R. resident	4	
Dental intern (noncareer)	2	
Medical student 1st 2 school years	36	Stanford University School of Medicine, Stanford, Calif.
Medical student, 2d 2 school years	105	Do.
Basic nursing student	257	University of California School of Nursing, San Francisco, Calif.; Stanford University School of Nursing, Stanford, Calif.; San Jose City College, San Jose, Calif.; DeAnza College, Cupertino, Calif.; College of San Mateo, San Mateo, Calif.; St. Luke's Hospital School of Nursing, San Francisco, Calif.
Graduate nursing student	3	University of California School of Nursing, San Francisco, Calif.
Audiology and speech pathology student (master's).	2	San Jose State College, San Jose, Calif.
Psychology student (graduate)	34	University of Nevada, Reno, Nev.; University of Oregon, Eugene, Oreg.; University of Arizona, Tucson, Ariz.; University of California, Berkeley, Calif.; University of Connecticut, Storrs, Conn.; University of South Dakota, Vermillion, S. Dak.; University of Nebraska, Lincoln, Nebr.; University of Massachusetts, Amherst, Mass.; University of Tennessee, Knoxville, Tenn.; Washington State University, Pullman, Wash.; University of Minnesota, Minneapolis, Minn.; Texas Technological University, Lubbock, Tex.; Clark University, Worcester, Mass.; Georgia State College, Atlanta, Ga.; Ohio State University, Columbus, Ohio; Duke University, Durham, N.C.; Harvard University, Cambridge, Mass.; Adelphi University, Garden City, N.Y.; Southern Illinois University, Carbondale, Ill.; Stanford University, Stanford, Calif.
Psychology student (postdoctoral)	1	Washington State University, Pullman, Wash.
Social work student (master's)	12	University of California, Berkeley, Calif.; Sacramento State College, Sacramento, Calif.

PALO ALTO, CALIF.—Continued

I. FISCAL YEAR 1970—Continued

Training program	Number of trainees	Cooperating institutions
Occupational therapist student	37	University of Puget Sound, Tacoma, Wash.; San Jose State College, San Jose, Calif.; University of Washington, Seattle, Wash.; Virginia Commonwealth University, Richmond, Va.; Colorado State University, Fort Collins, Colo.; College of St. Catherine, St. Paul, Minn.; University of Kansas, Lawrence, Kans.; University of Minnesota, Minneapolis, Minn.; Western Michigan University, Kalamazoo, Mich.; Mount Mary College, Milwaukee, Wis.; Boston University, Boston, Mass.
Corrective therapist student	3	San Jose State College, San Jose, Calif.
Recreation specialist student	1	Do.
Blind rehabilitation student	15	California State College, Los Angeles, Calif.; Western Michigan University, Kalamazoo, Mich.
Pharmacy student	4	Howard University, Washington, D.C.; University of Utah, Salt Lake City, Utah; Creighton University, Omaha, Nebr.; Washington State University, Pullman, Wash.
Medical record librarian trainee	1	USPH Hopsital, Baltimore, Md.
Research and education trainee	1	Stanford University, Stanford, Calif.
Chief nurse trainee	1	
Chief of staff trainee	1	San Jose State College, San Jose, Calif.
Management analyst trainee	1	
Supply management trainee	2	
Assistant hospital director trainee	1	

PALO ALTO, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
EXPANDABLE PROGRAMS						
Basic nursing student	0	0	0	0	0	0
Graduate nursing student	0	0	0	0	0	15
Audiology and speech pathology student	$89,665	0	$14,665	$75,000	0	1
Do	14,253	0	13,096	1,157	0	1
Do	16,125	16,125	0	0	0	5
Audiology and speech pathology	5,000	0	0	0	$5,000	0
Psychology (post-baccalaureate)	610,060	390,000	170,060	50,000	0	65
Psychology (postdoctoral)	159,495	92,250	59,745	7,600	0	10
Vocational rehabilitation counselor student	22,280	8,090	14,190	0	0	1
Occupational therapist student	18,000	7,200	10,800	0	0	4
Do	0	0	0	0	0	2
Manual arts therapist student	9,800	0	9,800	0	0	3
Corrective therapist student	0	0	0	0	0	2
Recreation specialist student	9,800	0	9,800	0	0	2
Pharmacy intern	44,780	44,780	0	0	0	5
Electrocardiograph technician trainee	15,500	11,000	4,500	0	0	2
P.M. & R. coordinator trainee	10,800	10,800	0	0	0	1
Chief nurse trainee	0	0	0	0	0	0
Supply management trainee	8,098	8,098	0	0	0	1
Heart pump technician trainee	10,000	8,000	1,000	1,000	0	1
Medical student radiology clerkship	30,000	0	10,000	0	20,000	10
Secretary, audiology and speech pathology	7,294	0	0	0	7,294	1
Total	1,080,950	596,343	317,656	134,757	32,294	132
NEW PROGRAMS						
Practical nurse student	0	0	0	0	0	30
Nursing assistant trainee (public service career program)	89,250	35,484	51,571	0	2,195	15
Nursing intern	0	0	0	0	0	0
Occupational therapy assistant	9,800	0	9,800	0	0	3
Physical therapy assistant	9,800	0	9,800	0	0	3
Manual arts therapy assistant	9,800	0	9,800	0	0	3
P. M. & R. assistant, general	0	0	0	0	0	2
Pharmacy student in any school year	13,096	13,096	0	0	0	2
Pharmacy assistant trainee	20,848	20,848	0	0	0	4
Dietetic student	18,600	6,600	12,000	0	0	1
Food service worker trainee	136,800	124,800	12,000	0	0	20
Medical technician trainee	35,346	18,964	11,382	2,500	2,500	3
X-ray technician trainee	106,236	3,600	49,336	0	53,300	6
X-ray film processor trainee	0	0	0	0	0	0
Radiologist's assistant trainee	37,742	35,632	2,110	0	0	2
Inhalation therapy technician trainee	27,000	15,000	12,000	0	0	2
Physician's assistant trainee	38,100	28,100	10,000	0	0	4
Hemodialysis technician trainee	10,800	10,800	0	0	0	1
Cardiopulmonary technician trainee	18,000	12,000	6,000	0	0	2
Surgery technician trainee	15,500	12,000	3,000	500	0	2
Operating room technician trainee	$15,500	$12,000	$3,000	$500	0	2
Orthopedic technician trainee	2,000	0	1,500	500	0	2
Engineer officer trainee	21,500	21,500	0	0	0	2
Accountant trainee	13,007	8,746	3,536	0	$725	1
Building management officer trainee	8,746	8,746	0	0	0	1
Laundry superintendent trainee	10,670	10,670	0	0	0	1
Director, voluntary service trainee	9,853	9,853	0	0	0	1
Mental health associate	99,991	72,220	17,223	0	0	10
Consultant			4,000			
Secretary			6,548			
Psychology aid-technician trainee	63,720	30,000	33,720	0	0	5
Total	841,705	510,659	268,326	4,000	58,720	130
Grand total	1,922,655	1,107,002	585,982	138,757	91,014	262

SAN FERNANDO, CALIF.

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Social work student (master's)	2	University of California, Los Angeles, Calif.
Occupational therapist student	3	Colorado State College, Fort Collins, Colo.; Loma Linda University, Loma Linda, Calif.
Food service worker trainee	12	Unified School District, Los Angeles, Calif.

SAN FERNANDO, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed: Total	Stipends	Instructor salaries	Space	Other costs	Number of additional and new trainees
Expandable programs:						
Social work student	$6,200	$6,200	0	0	0	2
Occupational therapy	3,000	3,000	0	0	0	2
Total	9,200	9,200	0	0	0	4

SAN FRANCISCO, CALIF.

I.FISCAL YEAR 1970

Training programs	Number of trainees	Cooperating institutions
Medical resident (noncareer)	211	
Medical intern	12	
Career radiology resident	1	
Dental intern (noncareer)	2	
Career dental intern	1	
Medical student 2d 2 school years	164	University of California School of Medicine, San Francisco, Calif.
Dental assistant trainee	8	City College of San Francisco, San Francisco, Calif.
Dental laboratory technician trainee	4	Do.
Basic nursing student	110	University of California School of Nursing, San Francisco, Calif.; University of San Francisco, San Francisco, Calif.
Graduate nursing student	8	University of California School of Nursing, San Francisco, Calif.
Practical nurse student	64	California College of Medical Affiliates, San Francisco, Calif.
Audiology and speech pathology (student doctoral).	8	San Francisco State College, San Francisco, Calif.; Stanford University, Palo Alto, Calif.; University of California, Santa Barbara, Calif.; University of Florida, Gainesville, Fla. University of Wisconsin, Madison, Wis.
Audiology and speech pathology student (master's).	10	San Francisco State College, San Francisco, Calif.
Psychology student (graduate)	21	George Washington University, Washington, D.C.; University of Montana, Missoula, Mont; Ohio State University, Columbus, Ohio; University of Connecticut, Storrs, Conn.; University of California, Berkeley, Calif.; University of Minnesota, Minneapolis, Minn.; University of Cincinnati, Cincinnati, Ohio; Adelphi University, Garden City, N.Y.; West Virginia University, Morgantown, W. Va.; University of Tennessee, Knoxville, Tenn.; Duke University, Durham, N.C.; Temple University, Philadelphia, Pa.; University of Missouri, Columbia, Mo.; Wright Institute, Berkeley, Calif.

Training program	Number of trainees	Cooperating institutions
Psychology student (postdoctoral)	1	University of California, Berkeley, Calif.
Psychology student (baccalaureate)	10	San Francisco Theological Institute, San Anselmo, Calif.; San Francisco State College, San Francisco, Calif.
Social work student (master's)	8	University of California, Berkeley, Calif.; Sacramento State College, Sacramento, Calif.
Social work student (baccalaureate)	2	University of San Francisco, San Francisco, Calif.
Physical therapist student	2	University of Caifornia, San Francisco, Calif.
Pharmacy resident	5	Do.
Pharmacy assistant trainee	19	University of California; San Francisco, Calif.; Unified School District, San Francisco, Calif.
Dietetic intern affiliate	2	University of California, Berkeley, Calif.
Cytotechnologist student	2	University of California, San Francisco, Calif.
Histologic or histopathology technician trainee.	4	St. Mary's Hospital, San Francisco, Calif.
Podiatry student	44	College of Podiatry, San Francisco, Calif.
Electrocardiograph technician trainee	1	
Operating room technician trainee	20	California College of Medical Affiliates, San Francisco, Calif.
Research and education trainee	2	University of California School of Medicine, San Francisco, Calif.
Personnel management specialist trainee.	1	
Podiatry intern	1	College of Podiatry, San Francisco, Calif.

SAN FRANCISCO, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed					Number of additional and new trainees
	Total	Stipends	Instructor salaries	Space	Other costs	
EXPANDABLE PROGRAMS						
Dental assistant trainee	$8,500		$8,000		$500	8
Dental laboratory technician trainee	21,500	$2,500	8,000	$10,000	1,000	2
Basic nursing student	6,700		6,000		700	10
Graduate nursing student	13,200		10,700		2,500	10
Audiology and speech pathology student	14,250	10,400			3,850	2
Do	46,450	16,400	17,700		12,350	4
Social work student	29,500	7,000	15,000	1,500	6,000	2
Pharmacy resident	7,000	7,000				2
Pharmacy assistant trainee	4,500	4,000			500	2
Dietetic intern affiliate	14,425	825	11,900	1,500	200	3
Dietetic student	2,880	2,880				1
Psychology assistant	41,656	26,060	13,096	2,000	500	5
Total	210,561	77,065	90,396	15,000	28,100	51
NEW PROGRAMS						
Nursing resident	69,100	30,000	10,700	20,000	8,400	5
Pharmacy intern	20,000	20,000				2
Pharmacy student in any school year	13,000		13,000			25
Extracorporeal perfusion (pump) technician trainee	9,600		9,600			1
Opthalmology technician trainee	9,600		9,600			1
Chief of staff trainee	22,500	20,000		1,000	1,500	1
Hospital administration resident	10,900	10,000		500	400	1
Graduate engineer trainee	9,800	9,000		500	300	1
Building management officer trainee	8,050	7,300		500	250	1
Laundry superintendent trainee	8,700	8,500			200	1
Management analyst trainee	9,800	9,500			300	1
Supply management trainee	8,550	7,800		500	250	1
Medical administrative trainee	8,550	7,800		500	250	1
Assistant hospital director trainee	21,500	19,000		1,500	1,000	1
Dental assistants (oral surgery)	82,400	14,400	8,000	30,000	30,000	4
Physician assistants	36,000	28,500		4,500	3,000	3
Total	348,050	191,800	50,900	59,500	45,850	50
Grand total	558,611	268,865	141,296	74,500	73,950	101

SEPULVEDA, CALIF.

I. FISCAL YEAR 1970

Training program	Number of trainees	Cooperating institutions
Medical resident (noncareer)	36	
Career psychiatry resident	7	
Dental intern (noncareer)	3	
Dental student summer research trainee	1	UCLA, Los Angeles, Calif.
Audiology and speech pathology student (master's).	2	San Fernando Valley State College, Northridge, Calif.
Psychology student (graduate)	12	University of Southern California, Los Angeles, Calif.; UCLA, Los Angeles, Calif.; University of Nebraska, Lincoln, Nebr.; University of Arizona, Tucson, Ariz.; University of Oregon, Eugene, Oreg.; University of Utah, Salt Lake City, Utah.
Psychology student (postdoctoral)	1	UCLA, Los Angeles, Calif.
Psychology student (baccalaureate)	19	San Fernando Valley State College, Northridge, Calif.; University of Southern California, Los Angeles Calif.
Social work student (master's)	5	UCLA, Los Angeles, Calif.; University of Southern California, Los Angeles, Calif.
Social work student (baccalaureate)	5	San Fernando Valley State College, Northridge, Calif.
Occupational therapist student	9	University of Wisconsin, Madison, Wisc.; University of Washington, Seattle, Wash.; University of Puget Sound, Tacoma, Wash.; University of Ohio, Athens, Ohio; Loma Linda University, Loma Linda, Calif.
Physical therapist student	5	Loma Linda University, Loma Linda, Calif.; Children's Hospital, Los Angeles, Calif.
Basic nursing student	214	California State College, Los Angeles, Calif.; Los Angeles Valley College, Van Nuys, Calif.
Practical nursing student	11	Holy Cross Hospital, Mission Hills, Calif.
Medical record librarian trainee	1	
Supply management trainee	1	
Assistant hospital director trainee	1	

SEPULVEDA, CALIF.

II. POTENTIAL EXPANSION BY SEPTEMBER 1971

Training program	Additional dollars needed					Number of additional and new trainees
	Total	Stipends	Instructor salaries	Space	Other costs	
EXPANDABLE PROGRAMS						
Nursing assistant trainee	$60,047	$46,200	$12,302		$1,545	40
Audiology and speech pathology student	32,665	12,000	14,665	$5,000	1,000	2
Do	17,560	17,560				4
Social work student	21,475	6,400	11,173		3,902	2
Occupational therapist student	20,087	1,218	10,869	5,000	3,000	6
Physical therapist student	18,869		10,869	5,000	3,000	10
Manual arts therapist student	12,869		10,869		2,000	10
Total	183,572	83,378	70,747	15,000	14,447	94
NEW PROGRAMS						
Social work student	19,218	11,680	5,587		1,951	2
Educational therapist student	11,869		10,869		1,000	6
Corrective therapist student	11,869		10,869		1,000	10
Recreation specialist student	11,869		10,869		1,000	10
Physical therapy assistant trainee	18,869		10,869	5,000	3,000	20
Medical technician trainee	11,138	9,888			1,250	2
Mental health associate trainee	95,153	64,380	17,223	3,000	10,550	10
Total	179,985	85,948	66,286	8,000	19,751	60
Grand total	363,557	169,326	137,033	23,000	34,198	154
Total California	4,876,993	2,789,314	1,473,901	272,557	341,221	941

Mr. CRANSTON. Under the committee substitute, the Veterans' Administration would also be directed to set up at least four regional medical education centers where health care personnel from the Veterans' Administration and, on a reimbursable basis, other Federal agency personnel and members of the surrounding medical community could come for refresher courses and to keep abreast of the latest medical technology and clinical techniques. These provisions were incorporated from S. 2355 which I introduced on July 27, 1971.

Mr. President, throughout the committee substitute the stress is on innovation. The Veterans' Administration is in a unique position to make an enormous contribution to the development of new methods of training, and the development of new types of and roles for, health care personnel because of its general freedom from the inflexible restrictions of many State medical licensing laws and regulations, and because of the size, diversity, and quality of its medical programs.

The committee intends that the provisions of the committee substitute will launch the Veterans' Administration on a greatly expanded program of helping train paramedical personnel, such as physicians' and dentists' assistants, to

be recruited especially from former military medics and medical corpsmen. In our estimate, the Veterans' Administration should be able to double the somewhat less than 300 physicians' assistants currently being trained annually throughout the United States. This is one of the most important aspects of the committee substitute.

Mr. President, the VA is the very best place to demonstrate the value of expanded use of paramedical personnel, especially the training and employment of the physicians' and dentists' assistants who serve as military medics and Navy corpsmen. Because the VA is a Federal instrumentality it does not have to wait for 50 States to reform licensing and practice laws written for horse-and-buggy medicine. These VA demonstrations hopefully will induce States to change their laws and practice codes to make greater use of these new health workers in their communities.

Under the committee substitute, the highest priority will be given young veterans who had medical military occupation specialties—MOS's—and now want to train in VA or VA-supported programs to become physicians' and dentists' assistants and other health care workers. First preference will go to disabled veterans and those who served during the Vietnam era.

Mr. President, I ask unanimous consent that there be set forth at this point in the RECORD appropriate excerpts from the committee report which I filed last Friday, for myself and Mr. HARTKE, including the section-by-section analysis of the committee substitute.

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

BACKGROUND AND DISCUSSION

EXPANSION OF PRIMARY FUNCTION OF THE VA DEPARTMENT OF MEDICINE AND SURGERY

Currently the primary function of the Department of Medicine and Surgery (DM & S) of the Veterans' Administration is to provide a complete medical and hospital service for veterans and to carry out education and training programs for health care personnel within the context of providing care to beneficiaries.

This limitation has inhibited training programs from expanding to their fullest capacity since, in general, further expansion of health care manpower training could not have been achieved without decreasing the quality or amount of care provided veterans. Indeed, it is a well-accepted proposition that where active medical education programs exist, the quality of patient care improves.

In the discharge of its major mission—the care and treatment of veterans—the Veterans' Administration produces an important byproduct in trained health care manpower. In its huge system of hospitals, clinics, and extended care facilities—by far the largest such system in our Nation under a unified management—the VA has developed programs to assist in the education and training of physicians, dentists, nurses, and more than 60 other categories of health care and administrative support personnel.

Both the quantity and the high quality of these training programs are made possible by cooperation with medical schools, colleges, and universities throughout the country. At the present time, 84 medical schools maintain affiliations with 96 VA hospitals. In addition, the VA is affiliated with 52 dental schools, 304 nursing schools, 75 schools of social work, and 93 graduate departments of psychology. Students are also accepted from schools of physical therapy, occupational therapy, and from universities, colleges, and junior colleges.

Approximately one-half of all physicians entering practice each year receive some of their training in a VA hospital, and large proportions of other health care personnel are a product of this system. A total of about 53,000 trainees will be educated through the VA and its affiliates during fiscal year 1972.

The VA investment in training programs has been highly justified in terms of the consequent improvement in the quality of patient care for the disabled veterans in its facilities. Many VA trainees are thereafter recruited for employment in the agency; and the instructional personnel are among the best in their fields. The existence of active education and research programs and of university affiliations has proved to be extremely valuable and is today virtually indispensable for the recruitment and retention of full-time health care staff in VA hospitals.

However, despite this substantial contribution and enormous potential, the VA health and hospital system is not now being fully utilized as a resource for the Nation's manpower pool. Nor has its full potential ever been seriously approached.

Undergraduate medical training, including clerkships, and internships, and residency training programs in the VA could readily be expanded to accommodate at least 10 percent more—well over 2,000—students in existing facilities. A principal inhibition has been the philosophy—embodied in present section 4101(b)—that VA training funds should be limited to direct support of the VA mission.

Full use of the VA system as a health care manpower training resource for the Nation is not entirely a matter of providing greater direct funding. A major inhibition to full utilization is the lack of a clear statutory framework for the present VA operation in the health care manpower field and the only limited public recognition of this important role. The VA must generally defend its training budgets in reference to agency manpower needs alone or in terms of services actually delivered by trainees.

In addition, further expansion of VA health care manpower training programs is inhibited by the limitations of available hospital space and staff time for teaching.

An untapped potential exists in those VA hospitals which are not now affiliated with medical schools. These hospitals may be such distances from medical schools that affiliation is prohibited by that factor; or they may be underutilized for teaching by medical schools, because the schools have other adequate clinical facilities available to them. Such VA hospitals could, for example, provide clinical training facilities for area health education centers to train other health (non-physician) and allied health professionals, nurses and paramedical personnel.

A specific commitment to the mission of health care manpower development would greatly improve the VA position in reference to affiliations, especially with community colleges and non-Federal hospitals, and would permit expansion even within current levels of spending.

The Committee substitute expands the primary function of the VA DM&S to include assisting in providing an adequate supply of health care manpower for national needs in addition to providing a complete medical and hospital service for veterans. In carrying out this broadened function, the Veterans Administration is directed to place special emphasis on the training and employment of veterans with medical military occupation specialties as physicians' assistants, dentists' assistants, and other types of medical technicians, and to act in cooperation with schools of the health professions, other institutions of higher learning, medical centers, academic health and area health education centers, hospitals and other public or nonprofit agencies, institutions, or organizations as are deemed appropriate. To assure that these educational programs are carried out in a well organized and planned manner, the committee substitute directs that there be a separate line item in the annual budget showing the estimated ex penditures during the fiscal year for the education and training of health care manpower. The Committee feels that long term planning and continuity is essential to successful education and training programs and that the inclusion in the annual budget of a special line item for these programs will greatly enhance such planning and continuity.

REGIONAL MEDICAL EDUCATION CENTERS

In furthering the ability of the VA to carry out this broadened education and training function, as well as to carry out its mission of providing quality, modern medical care to veterans, the Committee substitute incorporates the provisions of S. 2355 authorizing a program for continuing medical education for health care staff of VA medical facilities. Such continuing medical education programs would also be available to staff of other Federal medical facilities and to members of the surrounding medical community, to the extent facilities are available, on a reimbursable basis. These programs would be conducted in at least four Veterans Administration hospitals, geographically dispersed throughout the United States, which are to be designated by the VA as "Regional Medical Education Centers." The VA cost estimate per RME Center is $400,000 annually.

A special benefit which will be derived from the designation of these Regional Medical Education (RME) Centers, in addition to the opportunity for providing continuing education programs for VA and other staff, is the recognition that assignment to such centers as "faculty" will give to distinguished VA staff members. It will also make service in the Veterans Administration's medical facilities much more attractive to the outstanding professional by creating a more stimulating intellectual environment and appropriate opportunity for academic recognition.

Participants would also be exposed to the new roles that are developing, many on a pilot basis at VA hospitals permitted by their freedom from unduly restrictive state licensure laws and regulations, for new types of health care personnel and would learn to work with them in a manner which would achieve the greatest coordinated utilization of skills at all levels of the medical care team. This experience would be invaluable not only to the staff member from another VA hospital, perhaps in a remote area, but also to the professional from the community who utilized the RME continuing education program.

Special insight into the value these programs would bring to the VA health care program and the medical/dental community was offered to the Subcommittee on Health and Hospitals by William M. Feagans, Dean of the School of Dentistry, State University of New York, Buffalo, who testified:

[B]efore a large and continuously growing number of paraprofessionals can be fully absorbed and utilized within our health care system, a strenuous effort must be made to upgrade the skills of medical and dental practitioners who may never have relied on allied health professionals to any degree.

Today many graduating physicians and dentists are trained to routinely work with allied health professionals, and their role is fully understood and appreciated. This is not always true, however, with older conventionally trained medical and dental prac-

titioners. The reeducation of these physicians and dentists to accept and fully utilize the skills and knowledge of paraprofessionals is just as important as the training of the paraprofessionals themselves.

Continuing education programs and postgraduate enrichment programs that will reach out to these traditionally trained practitioners are vitally necessary and I strongly urge you to enact Senate bill 2355. This bill recognizes the fact that traditional continuing education programs are not enough. One cannot retrain a dentist to use paraprofessional personnel and work as a team by a lecture in a classroom or on a TV monitor. This requires actual chairside learning in patient care.

If ever continuing education had a challenge, it is today. With the burgeoning information and new therapeutic skills being developed, the practicing health professional must broaden his sphere of knowledge and skills. It requires taking continuing education programs to the patient's bedside, the research laboratory or the rental chair. But clinical continuing education programs requiring patients and followup care are extremely expensive for schools to conduct and, unfortunately, are often the first programs to feel the pinch of reduced budgets and support.

The VA could help speed the optimal utilization of paraprofessionals by:

1. Making facilities and staff available for continuing education programs;

2. Providing financial support for VA-affiliated health professional schools for expanded continuing education programs. These should be specifically designed to improve and increase the use of allied health professionals.

3. Providing a constant pool of patients for these programs. This would make high quality care available to VA patients at a low cost while at the same time providing an educational opportunity for the practitioners and the paraprofessionals. (Hearings, p. 334.)

The Committee would like to emphasize its recognition of the already meritorious continuing education programs provided in some Veterans' Administration hospitals. However, the Committee believes there is a need to build up these programs and to increase their availability to medical personnel both within the VA and in the surrounding medical community.

The increased demand for "Type A" postgraduate in-service training programs offered by the VA is one clear indication of the need for a more formal approach to providing continuing education programs. These programs are the highly specialized two to five-week intensive programs geared to the educational needs of an individual, usually oriented towards specialists, offered by VA facilities affiliated with a medical school to staffs of unaffiliated VA hospitals in the same region.

The Committee substitute will enable the Veterans' Administration to expand and increase such programs and, along with the benefits which accrue to the veteran from improved treatment capability, will provide a more attractive opportunity for members of the health and allied health professions in the career service of the Veterans' Administration Department of Medicine and Surgery.

In addition, such programs would be made available to the medical community at large, where space and facilities are available, in furtherance of the VA policy to coordinate their activities more closely with those of the community.

Since the bulk of these RME Centers will be established at VA hospitals affiliated with medical schools, the Committee substitute calls for the consultation on RMEC policy with the dean's committee established for each such hospital under section 4112 of title 38, as well as with the nationwide Special Medical Advisory Group (SMAG) or any appropriate SMAG subcommittee.

Strengthening of VA Hospital Affiliations with Medical Schools

In order to foster more affiliations between Veterans Administration facilities and health education institutions or at least to maintain the quality and extent of present such affiliations, the Committee substitute also includes a provision requiring that any new Veterans Administration hospital (other than a replacement hospital where there is no existing affiliation) be constructed in close proximity to an accredited school of medicine or osteopathy which has agreed to affiliate with the hospital. This provision generally represents a statutory expression of present VA policy. The Committee would not expect this policy to affect the construction of a hospital which is a replacement for an existing non-affiliated VA hospital (generally located in more remote geographical areas), although the Committee certainly would encourage developing an affiliation for any such replacement hospital wherever feasible.

Other provisions of the Committee substitute, regarding expansion and alteration of VA facilities to facilitate training, reflect the Committee's concern that affiliations between VA hopsitals and health professions schools be increased and strengthened to foster the maximum exchange of knowledge and experience to their mutual advantage. In each case the provision states that construction shall include such classrooms, lecture facilities, laboratories, and other teaching facilities as are necessary to make the hospital suitable for health manpower education and training. These provisions are found in sections 5064 and 5067 in section 6 of the committee substitute. Section 5064 deals with expansion of the Veterans Administration hospital education and training capacity and authorizes the renovation, extension, remodeling, or repair of VA buildings to make them more suitable for health care manpower education and training.

Section 5067 deals with pilot programs for assisting in the establishment of new health education schools and authorizes the repair, renovation, and remodeling of buildings leased to such new schools to make them suitable for such teaching purposes.

The Committee would not expect any renovations for teaching purposes to be made so as in any way to reduce the ability of a Veterans Administration medical facility to meet the requirements of its beneficiary population for health care.

UTILIZATION OF VETERANS' ADMINISTRATION HOSPITALS TO IMPROVE AND EXPAND EDUCATION AND TRAINING OF HEALTH CARE MANPOWER

The Committee substitute establishes a new chapter 82 in title 38 to encourage the maximum utilization of the VA potential for training and education of health care manpower through three approaches: (1) expansion of training programs of the hospitals of the Veterans Administration; (2) pilot programs for the establishment of new schools or area health education centers; and (3) support to schools affiliated with VA hospitals and facilities to expand their training and education programs.

Appropriations of $125 million for each of the seven fiscal years 1973 through 1979 are authorized for these purposes and such appropriations will remain available until expended. Of the amounts so appropriated, the first $25 million each year is specifically reserved for the second approach, no more than 30 percent of the total so appropriated each year may be spent for the first approach, and no more than two percent of such total appropriation may be expended for the administration expenses to carry out the new chapter.

Programs supported under each of these approaches must include assurances that (and all DM&S training programs must all ensure that) qualified veterans be given priority for admission to health manpower education and training programs and that highest priorty be given to Vietnam era veterans, especially those with medical military occupation, specialties, and those who are disabled.

The VA is in a particularly opportune position to develop new methods of training and to experiment with educational requirements. It is a nationwide system, consisting of 166 hospitals—with two more being activated during fiscal year 1972—in every region of the United States with an outstanding reputation for training due to its many contributions to the health care manpower field. In addition, it has the unique ability to utilize health care personnel without regard to certain outmoded restrictions of State licensing or certification requirements. The Veterans' Administration hospital system can thus take the lead in producing new levels and types of personnel; expanding the roles and responsibilities of existing types of personnel; and putting the innovations to a practical test in a clinical setting under the quality supervision of VA and medical school staffs. Hopefully, after success is achieved in the VA, the results of these innovations can be provided to the general medical community and can be incorporated into general usage.

For example, the VA provides an almost ideal training ground for the development of new categories of health care personnel whose functions and effect is to extend the effectiveness of highly skilled and trained professionals. It is estimated that existing facilities and VA affiliates could increase their annual production (80 to graduate in FY 1972) of physicians' assistants by 200 or 300, at the very minimum, if additional training funds were made available for this purpose.

Among the most qualified individuals who can benefit from these programs to train new types of health personnel are the returning trained health support personnel of the armed services, such as the Army medic and the Navy corpsman. The Committee expects that DM&S will see to it that every returning serviceman (and all returned Vietnam era Veterans) with medical military occupation specialties are advised, and actively encouraged to take advantage, of opportunities for health care careers in programs supported under the new chapter 82 and through training and employment in DM&S. However, careers in the health care support fields are by no means limited to those with previous health training.

J. B. Koch, National Commander of Veterans of World War I, U.S.A., Inc. cited the value of these individuals to the nation in his testimony before the Subcommittee. He said:

With the increasing population in our country calling for an accelerated increase in medical professionals, the provisions of S. 2219 to provide training for physicians' assistants, dentists' assistants, and nurse practitioners, would appear to us as a long overdue attempt to correct the situation in health care. It appears to us that the value of the paramedic has been proven on the battlefields of Vietnam. Those trained under the supervision of physicians in health care, ease the strain on physicians and nurses enabling them to better meet the needs in hospitals, health centers, and nursing homes. (Hearings, p. 322.)

One provision included in each of the three approaches is the encouragement of the development of programs for the training of new types of health care personnel, particularly physicians' and dentists' assistants. In addition, common to the second and third approaches are requirements that grantee institutions must stress the team-training approach, training for new roles,

types or levels of health care manpower, providing the fullest opportunities for career advancement and mobility within the VA Department of Medicine and Surgery and the community, or recruitment, enrollment, and retention of qualified disadvantaged students. The Committee has designed these provisions, to encourage the implementation of programs which will be complementary to and compatible with programs authorized under the Comprehensive Health Manpower Training Act of 1971 (P.L. 92–157), the Nurse Training Act of 1971 (P.L. 92–158), and the Health Training Improvement Act of 1970 (P.L. 91–519).

COORDINATION WITH THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE AND VA ADVISORY COMMITTEES

An important provision of the Committee substitute is the requirement that the Administrator of Veterans Affairs and the Secretary of Health, Education, and Welfare, coordinate to the maximum extent practicable, programs carried out under the authorities of the new chapter 82 established by the committee substitute and programs carried out under the education and training authorities of the Public Health Service Act.

Objections have been raised to the expansion of the Veterans Administration authorities to include direct support to health education and training programs in health care personnel education institutions and particularly to the establishment of new health education institutions on the grounds that such activities fragment the federal government's authorities and programs to assist in the training of health care manpower. The Committee carefully considered this contention and found it unpersuasive. The Committee does not intend that rival mechanisms for support of health care manpower programs be established. Instead, in view of the critical health care manpower shortage which exists today and the even more critical shortage predicted for the future, the Committee strongly believes that the full potential of the Veterans Administration medical programs must be utilized as well as Department of Health, Education, and Welfare (DHEW) programs, to meet this critical national need and that special authorities must be established to enable the VA Department of Medicine and Surgery to participate fully in a concerted national effort making use of all the nation's training resources.

During the hearings before the Subcommittee on S. 2219, two former officials of DHEW forcefully supported this position. Dr. Philip R. Lee, Chancellor of the University of California at San Francisco, stated:

As former Assistant Secretary in the Department of Health, Education, and Welfare, with responsibility for the programs of health manpower development, including those of medical, dental, osteopathic, pharmacy, veterinary medical education, nurses training and allied health professions education and training, I do not see this [fragmentation] as a problem. Rather, the problem is the VA lacks authority to fully participate as a partner in this venture. At those universities and schools that work closely with VA, we are seriously limited because of this lack of authority, because the VA cannot openly and fully participate in the programs and cannot share in the costs of the program. . . . The legislation as it is drafted, I think, would not in any way fragment the programs. I think at the local level, as well as national level, it would improve the Nation's capability of dealing with what is acknowledged to be a most serious national problem. I think the lack of that authority limits use of VA resources. (Hearings, p. 273.)

The following exchange took place between Senator Cranston, Chairman of the Subcommittee on Health and Hospitals, and Dr. John Grupenhoff, former DHEW deputy assistant secretary:

Senator CRANSTON. Since you have had considerable association with the Department of Health, Education, and Welfare, I would appreciate your explaining why you do not share the administration's fear about the bifurcation which would occur between HEW and the VA in health manpower training support if S. 2219 were enacted.

Dr. GRUPENHOFF. Senator, this has been the position both in this present administration and the last one, of course. I don't see it that way at all because I believe the only way that you are going to get the kind of cooperation that you want between HEW and the Veterans' Administration is for the Congress to hold their feet to the fire and require that they do get together. . . . I think this bill will do that. I think it is going to require, for the first time, real cooperation between the VA and HEW and I think you ought to push that part of the bill as hard as you can. That will cause a linkage instead of fractionalization. (Hearings, pp. 362–63.)

The Committee substitute also requires that in carrying out its functions under these new or amended provisions, the Veterans Administration through the Department of Medicine and Surgery, consult with the appropriate individuals within and outside the VA who have experience and knowledge in VA medical and hospital programs. The establishment of an advisory subcommittee on programs for assistance for health manpower education and training is specifically directed as a subcommittee of the Special Medical Advisory Group of the VA. This new subcommittee must be consulted fully in VA implementation of pilot programs for the establishment of new health education institutions or in the provision of assistance to affiliated institutions. The Committee intends through these provisions to ensure that training programs supported by the Veterans Administration will be of the highest quality and reflective of the most current innovations in medical technology and the provision of health care.

This new advisory subcommittee is also given the role of advising in the development of regulations covering the terms and conditions for agreements with health education institutions under the new chapter 82 established in the Committee substitute.

Although the Association of American Medical Colleges also expressed concern about the possibilities of fragmentation of responsibility for federal medical educational policy, it felt that a comparison of legislative approaches showed that:

The Veterans Administration Health Manpower Training Act of 1971 [*sic*] [S. 2219]—

(1) provides maximum coordination between the VA and the DHEW not only at the Secretary-Administrator level but also at the advisory group level through authorization of an appropriate subcommittee of the Special Medical Advisory Group;

(2) provides maximum flexibility in funding the two assistance programs and the most realistic levels of funding;

(3) imaginatively broadens the two programs to include assistance to area health education centers, a concept suggested by the Carnegie Commission; and

(4) includes essential assurances that any new school assisted through the program would meet appropriate accreditation standards and that any existing school would not expand its operations to the jeopardy of its accreditation.

In addition, S. 2219 provides special authority for funds to remodel and make special allocations to VA hospitals for health manpower education and training; requires construction of new VA hospitals for close proximity to affiliated medical schools, requiring the new hospitals to include appropriate education facilities; and broadens the health manpower education and training mission of the VA's Department of Medicine and Surgery.

The Association of American Medical Colleges finds these provisions to be particularly attractive. If enacted and fully funded, the Veterans Administration Health Manpower Training Act of 1971 could serve as an important first step in correcting some of the critical problems threatening the traditional VA-medical school association. (Hearings, p. 319.)

EXPANSION OF VETERANS' ADMINISTRATION HOSPITAL EDUCATION AND TRAINING CAPACITY (SUBCHAPTER II)

Well over 50,000 individuals are currently being trained for health care careers each year in Veterans' Administration facilities. In fiscal year 1971, the VA trained 53,086 health care personnel. They break down as follows:

Medical residents	8,975
Dental residents	188
Medical interns	1,877
Dental interns	113
Medical and osteopathic students	12,567
Dental students	1,018
Nurses	15,869
Other professionals (at graduate level)	3,298
Allied health trainees	8,811
Administrative trainees	370
Total	53,086

The potential easily exists for doubling this number over the next five years. A survey of the VA hospitals and clinics conducted approximately a year ago indicated that an additional 12,000 trainees could be accommodated immediately if funds ($36.7 million) were made available for trainee stipends, instructor salaries, space modification and other pertinent costs. (See Hearings, Appendix A.) To facilitate this immediate expansion the Committee substitute authorizes the allocation of up to 30% of the amount appropriated to carry out the new chapter 82 each year (under section 5062) for the attainment of suitable teaching space and equipment and for special allocations which will include trainee stipends and instruction salaries for the development of improved methods of education and training.

PILOT PROGRAM FOR ASSISTANCE IN THE ESTABLISHMENT OF NEW PUBLIC NONPROFIT MEDICAL, OTHER HEALTH PROFESSIONALS, AND ALLIED HEALTH SCHOOLS AND AREA HEALTH EDUCATION CENTERS (SUBCHAPTER III)

The need for additional health training institutions has been well established by a series of well documented and prestigious reports over the past several years. The latest has been the Carnegie Commission Report on Higher Education and the Nation's Health which recommended the establishment of nine new university health science centers, and the development of 126 new area health education centers. The report suggested three Veterans Administration hospitals as potential candidates for establishment of university health science centers and 17 VA hospitals as nuclei for area health education centers. (See Hearings, pp. 26, 246–59.)

The Veterans Administration has already demonstrated the efficiency of establishing a new medical school in conjunction with an established Veterans Administration facility in the newly created Louisiana State University medical school at Shreveport. This new medical school was advanced several years in becoming operational through utilizing the VA hospital and the Confederate Memorial Medical Center, a community hospital, as well as through clinical resources placing a predominant reliance on part-time staffs of those hospitals and physicians from the community as faculty resources.

The Committee believes the LSU Medical

School is a striking example of the potential contribution the Veterans Administration can make to meeting the nation's need for additional health care manpower and that it would be mutually advantageous to the beneficaries of the Veterans Administration and to the nation to encourage the development of additional institutional arrangements similar to that of Louisiana State University with the VA Department of Medicine and Surgery. For this reason the Committee substitute authorizes the implementation of a pilot program for the establishment of new public nonprofit health professions schools, allied health schools, and area health education centers if such schools and centers are located in proximity to, and operated in conjunction with, Veterans Administration medical facilities.

However, to assure that such institutions meet and maintain a high level of quality and relevance to national needs, the Committee substitute places several conditions on the establishment of any new school. First, the Veterans Administration is limited to assisting in the establishment of no more than ten new schools or centers which must be geographically dispersed and which may be health professions or allied health schools, or area health education centers. This numerical limitation will ensure that Veterans Administration resources are not proliferated but are targeted to the development of institutions with a high potential for excellence.

Second, there must be adequate assurance of state or other financial support for the proposed school or center. The Committee expects the Department of Medicine and Surgery to examine with the greatest care the adequacy of likely present and future state financial support for the proposed new institution. It is expected that this will be an extremely important criterion (along with the strength of the assurances of accreditation) for providing assistance, given the likely extreme competition among applicants for limited funds.

Third, the overall plans for the school or center must meet professional and other standards relating to education and training programs that the Administrator, in consultation with the Secretary of HEW, deems appropriate. These plans must include significant programs for (1) cooperative interdisciplinary training among health professions schools and allied health schools with emphasis on the team approach in providing health services; (2) training for new roles, types, or levels of health care manpower, and providing for full opportunities for career advancement and mobility; or (3) the recruitment and retention of qualified individuals who due to socioeconomic factors are financially or otherwise disadvantaged. As noted earlier, these same programs are also emphasized in the recently enacted health professional and nurse training Acts (P.L.s 92–157 and 158).

Fourth, the school or center must maintain mutually beneficial arrangements with the Veterans Administration medical facility with which it is affiliated.

Fifth, there must be reasonable assurance that the new school will meet the appropriate accreditation standards required within a reasonable period of time. The Committee feels this is a vitally important criterion.

Furthermore, under this new subchapter, if the Administrator finds that the school is not accredited and has failed to gain accreditation within a reasonable period of time, or is accredited but has failed to carry out the terms of the agreement, or ceased to be operated for the purpose for which assistance was originally granted, he may recover the facilities which were established with the VA assistance.

The Committee substitute also specifies that the VA may enter into an agreement to provide pilot program assistance only to public non-profit colleges, schools, or universities. This provision will ensure that the necessary academic environment will accompany the establishment of a new health professions school, allied health school, or area health education center. In his testimony before the Subcommittee on Health and Hospitals, Dr. William G. Anlyan, Chairman of the Executive Council, Association of American Medical Colleges, and Vice President for Health Affairs of Duke University strongly supported the intent of this provision with respect to affiliation with ongoing educational institutions.

The level of support to be provided to new health education schools or centers under the new subchapter will be the most substantial in their initial phase of operations. This support could include the leasing to the applicant institution of VA land and buildings, including equipment, which is necessary for the establishment and operation of the school or center, and the alteration of such buildings to make them suitable for use as a teaching facility. This support includes the making of grants to pay in part the cost of the salaries of the faculty for the first seven years, on a graduated level of support decreasing from 90 percent the first three years to fifty percent the last year.

The Committee wishes to stress that nothing in this new chapter is in any way intended to authorize transfer of active VA clinical facilities (or hospitals or units thereof) with VA patients to a health education institution or in any way to authorize the VA to delegate its total responsibility for the operation, administration or health care for patients treated in VA medical facilities.

No less than $25 million of the amount appropriated each year is reserved for expenditure to carry out these pilot programs.

ASSISTANCE TO AFFILIATED MEDICAL, OTHER HEALTH PROFESSIONS, AND ALLIED HEALTH SCHOOLS, OTHER HEALTH MANPOWER TRAINING INSTITUTIONS, AND AREA HEALTH EDUCATION CENTERS (SUBCHAPTER IV)

The third part of the Committee substitute's new chapter 82 to expand the primary function of the Veterans Administration Department of Medicine and Surgery is a program of assistance to those health care manpower education schools or area health education centers affiliated with Veterans Administration medical facilities.

Under the provisions of the Committee substitute the VA, in consultation with the Secretary of Health, Education, and Welfare, is authorized to carry out a program of grants to such institutions to assist them to expand and improve their capacities to train health care manpower. Again, as in the pilot program for the establishment of new educational institutions, conditions are required of grant applicants to ensure that high quality and relevant programs are supported. The application must show that the proposed program will make a significant contribution to improving the program of the institution and will result in a substantial increase in the number of students trained at the institution. Reasonable assurance must be provided that the increase in students will not threaten existing institutional accreditation or otherwise compromise the quality of training at the institution. There must also be appropriate fiscal controls and accounting procedures, as well as provision for making reports to the VA and maintaining records.

As in the case with pilot programs for the establishment of new health care manpower education institutions, the application must set forth significant programs for (1) cooperative interdisciplinary training among health professions schools and allied health schools and allied health schools with emphasis on the use of the team approach in providing health services; (2) training for new roles, types or levels of health care manpower and providing full opportunities for career advancement and mobility; or (3) the recruitment and retention of qualified individuals who due to socioeconomic factors are financially or otherwise disadvantaged.

These authorities will be most beneficial in making assistance available to newly-established and expanding medical schools, other health professions schools and allied health schools affiliated with VA medical facilities. Through grant support, coupled with the teaching potential of the clinical setting of the VA hospital, these institutions should produce significantly more and new types of graduates at a faster pace.

Dean Rheba de Tornyay, of the University of California at Los Angeles School of Nursing, has advised the committee of the substantial impetus the new subchapter would give to nurse training:

The "Veterans' Administration Health Manpower Training Act of 1971" will provide much needed assistance to schools of nursing both to increase enrollment in existing training programs and to provide additional facilities for preparing nurses for increasing responsibilities in the care of people.

The need for increasing the supply of nurses has been well documented. . . . The community need for these nurses, and the applicants for enrollment to the community college nursing program continues to be greater than the schools can accommodate with current budget and facilities . . . .

The objective of helping each person to live his life in comfort and dignity is a central nursing goal. All older Americans, and most certainly a citizen who has served his country in its time of need, deserves personalized and humane care. An area of health care as yet undeveloped is the Geriatric Nurse Practitioner. These nurses would be prepared through carefully supervised clinical experiences with concurrent theoretical courses to work independently with older patients presenting chronic physical and emotional problems. . . . To date, such a program has not been developed as an integral part of a baccalaureate nursing program. . . .

If additional faculty could be added to the school of nursing faculty, a project for preparing Geriatric Nurse Practitioners could be undertaken to produce nurses prepared for primary roles in caring for patients with cronic problems in conjunction with the Veterans' Hospital. Research is badly needed in long term illness, for example, on the effects of such interventions as stimulation and irritation to prevent sensory deprivation and its effect on the central nervous system. The utilization of the extended care facility of this Veterans' Hospital would provide much needed research facilities for the graduate program in nursing. . . . The funds provided by this proposed legislation could assist in providing both classroom space and laboratory space for such research efforts.

The partnership of a school of nursing financed through local taxes . . . and the Federal Government through the use of Veterans' hospitals will benefit all—patients, students, and the communities involved.

Implementation of the programs for assistance to allied health schools authorized by the Committee substitute can be particularly beneficial at community colleges. This benefit was vividly described by Nancy Hartley, Dean of Instruction, St. Petersburg Junior College, St. Petersburg, Florida. Dean Hartley testified:

There is a great need for the VA hospitals to be prime movers in coordination with the local, state, and regional plans for a health training system approach to meet health manpower needs.

This Bill can be the basis for the upgrading of health workers through the ladder concept by certificated, associate degree, baccalaureate degree, and upward mobility for the health fields workers. *We must avoid set-*

ting up splintered patterns and expensive duplication of programs.

Planning must help alleviate the needless duplication and competition that now exists, and must feed into the educational system and have input and feedback through both educational and health care delivery systems.

The colleges, through such a Bill, could: 1) expand existing programs and put out larger numbers of workers more rapidly; 2) provide multidiscipline laboratories that would keep down costs of duplication of expensive equipment; 3) assist with better utilization of scarce, highly-specialized instructors in health occupations; 4) have more clinical facilities of a variety of experiences available for teaching health workers; 5) establish a career ladder approach through a system of moving in and out of work and learning programs at the community level; 6) work through the educational system evaluation methods of programs; 7) do individual student teaching programs for returning veterans and the new careers persons.

There is a great need for health occupations educational innovative centers in the states. This Bill could assist in allowing the development of research of new programs (which is almost financially prohibitive by each individual public college). Their acceptance into the revision of the systems of health care that is practically upon us cannot be borne by college financing alone. When a form of true universal health care meets us in one or two years, there will be an increasing crisis in health manpower training sources. This Bill could be a vehicle through which programs can be studied in light of a coordinated system with the colleges conducting the on-going programs. We must be vigilant that we do not have two distinct medical care systems develop in the United States.

The increase of cost of land and buildings for public community colleges is becoming critical. Existing land and buildings for the more expensive health programs could help keep the operating costs down for the taxpayers. The mobility of health workers throughout the country speaks for the need of more Federal support for their educational programs, rather than the states paying unevenly for expensive programs and the new graduates from health occupations moving freely throughout the country.

Locally, statewide, and nationally, the community colleges . . . can, with the cooperation of the system of VA hospitals as defined in this Bill, be a part of a flexible, coordinated, educational system to prepare health occupations manpower for the future coordinated system of health care delivery for the people of this country. (Hearings, p. 375.)

Mr. William M. Samuels, Executive Director of the Association of Schools of Allied Health Professions, also testified to the particular value the provisions of the Committee substitute would have to the development of allied health training programs:

The use of Veterans Administration hospitals in affiliation with community colleges and four-year colleges could be one step to help bridge a gap of program support, instructional space and teacher preparation that now exists in the training of allied health professionals. By and large, we are talking about programs that can be implemented without the need of construction funds and in areas with clinical space and with qualifying instructional personnel. Affiliation agreements between educational institutions and Veterans Administration hospitals—if properly supported—can be implemented with a minimum amount of effort and results could be realized within a very short period of time.

Recognizing that there is a limitation on the dollars this nation can spend on health, I am confident that with an appropriation authority the Veterans Administration in working *with* educational institutions can serve as a realistic model for other community hospitals. Building on the utilization of the strength of the Veterans Administration system including hospitals, manpower, and space, I feel sure that this could take us a step nearer to the achievement of our health goals for society. (Hearings, p. 397.)

Dr. Philip R. Lee, Chancellor of the University of California at San Francisco, paralleled these views in his testimony before the Subcommittee, stating:

The new authorities in S. 2219, as do those in House Joint Resolution 748, would stimulate and make possible a full partnership among the Veterans' Administration, educational institutions, and community hospitals and the public that we all serve. They build on the strong and mutually beneficial relationships between the Nation's medical, dental, nursing, pharmacy, and other health professions schools and the Veterans' Administration. The needs and the potential were well described in relation to physicians in House Committee Print No. 14. "History and Potential of Veterans' Administration—Medical School Relationships for Meeting Physician Manpower Needs", issued on March 11, 1971. The authorizations in S. 2219 meet the needs described in that report and when matched by adequate appropriations, will make a significant contribution to both improving the care for veterans and assisting in meeting our health manpower shortage. (Hearings, p. 270.)

This bill is an excellent complement to the Health Professions Education Assistance Amendments of 1971 [Comprehensive Health Manpower Training Act of 1971 (P.L. 92-158)], and the Nurse Training Act of 1971 [(PL. 92-158)]. They cannot be viewed in isolation because they all contribute significantly to meeting a critical national need.

The Veterans' Administration Health Manpower Training Act (S. 2219) and the Veterans' Administration Medical School Assistance and Health Services Personnel Education Act (House Joint Resolution 748) deal with health manpower needs in a manner suited to the unique resources of the Veterans' Administration. And in a manner that should enhance the basic mission of the VA for providing quality medical and hospital care to veterans. . . .

COST ESTIMATES PURSUANT TO SECTION 252 OF THE LEGISLATIVE REORGANIZATION ACT OF 1970

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee estimates that there would be no expenditures incurred in the fiscal year ending June 30, 1972 (except for very minimal start-up costs for RME centers pursuant to section 4 of the Committee substitute), and, if all funds authorized for appropriations are appropriated pursuant to the new chapter 82 which would be added by section 6 of the Committee substitute, in the fiscal year ending June 30, 1973, and for each of the succeeding fiscal years, there would be $126.6 million (of which $1.6 million would be for four RME centers) in expenditures incurred in carrying out S. 2219, as reported.

SECTION-BY-SECTION ANALYSIS OF COMMITTEE SUBSTITUTE

Section 1 establishes the title of the proposed Act as the "Veterans' Administration Health Manpower Training Act of 1972."

Section 2 sets forth nine findings and declarations by the Congress with respect to: the nation's shortage of qualified health manpower; the great needs for expansion of training and education of health manpower; the unique and substantial untapped capacity of the Veterans' Administration (with its existing affiliations with 84 medical and 52 dental schools, 304 nursing schools and 400 institutions of higher learning which educate and train health care manpower) to assist in the expansion and improvement of existing and the establishment of new affiliated medical, other health professions and allied health schools and area health education centers as well as generally to assist in the expansion and improvement of education and training opportunities for all health personnel; the VA's special responsibility and unique ability to train and employ veterans with medical military occupation specialties (MOS's) as physicians' assistants; and the essentiality of increased training of health manpower if the Nation is to provide the best possible medical care for its veterans. The specific clauses in the section are self-explanatory.

Section 3 revises subsection (b) of present section 4101 of title 38, regarding functions of the VA's Department of Medicine and Surgery (DM&S), by adding to the basic VA mission (providing complete medical and hospital services for veterans) the function of assisting in providing an adequate supply of health care manpower to the entire Nation as long as that function does not interfere with the VA's primary mission. Subsection (b) presently *limits* education and training activities to those "in order to more effectively carry out" the basic DM&S mission. Under the revised subsection, the Administrator, in order to assist the Nation to meet its needs for more health care manpower, is directed to carry out a program of education and training of health care manpower in cooperation with health professions and allied health schools, other institutions of higher learning, academic health centers, and area health education centers. Special emphasis is again made on the training and employment of veterans with medical MOS's as physicians' and dentists' assistants.

The revised subsection also would add a new second sentence requiring that the President's annual budget request contain a separate line item for VA health care manpower education and training.

The revised subsection resembles the VA-proposed revision (included in section 201 of the administration bill—S. 1924) and establishes the basic framework for the chapter 82 to be added to part VI of title 38 by section 6 of the Committee substitute (S. 2219).

Section 4.—Subsection (a) adds a new subchapter II (Regional Medical Education Centers) to chapter 73 (Department of Medicine and Surgery) of title 38. The provisions of the new subchapter are virtually identical to those contained in section 2 of S. 2355, the proposed "Veterans Administration Continuing Medical Education Act," introduced by Senator Cranston on July 27, 1971.

Section 4121 of the new subchapter.—Subsection (a) directs the Administrator to designate no less than four Regional Medical Education Centers (Centers) at geographically dispersed VA hospitals to assist the VA in carrying out the expanded health manpower training responsibilities assigned to it under the revised section 4101 in section 3 of the committee substitute. (Cross reference should also be made to the new subsection (c)—stressing new and improved methods of providing care, the development of new types of health manpower, especially physicians' and dentists' assistants, and programs for continuing education and providing maximum lateral and upward mobility—which would be added to present section 4101 by section 201 of the S. 2345 Committee substitute.)

Subsection (b) of the new section specifies the purposes of Centers as follows: to provide in-residence (in VA hospitals designated as Centers) continuing medical and related education programs for VA health personnel and, where space is available, non-VA health personnel on a reimbursable basis. Instruction is to be intensive and on an advanced level in terms of new medical technologies

and equipment and clinical techniques, investigations, and demonstrations of new and greater utilization of health personnel, but also to include verification and remediation, where necessary, of basic medical skills (refresher/deficiency courses).

Section 4122 in the new subchapter—*Section (a)* places responsibility for operation of the Centers in the DM&S Chief Medical Director and directs that the highest qualifications be used for assigning instructors to the Centers.

Subsection (b) of the new section directs the Chief Medical Director to grant special recognition to the achievements of career DM&S personnel by assigning them temporarily as visiting instructors at Centers.

Subsection (c) of the new section authorizes the Chief Medical Director to contract for services when necessary to obtain certain scarce specialists to serve as Center instructors.

Section 4123 in the new subchapter establishes the basic eligibility of persons for training at Centers and directs that preference be given career DM&S employees in assignment of health personnel for training. Reimbursement to the VA is required for any non-VA trainee.

Section 4124 in the new subchapter directs the Chief Medical Director to consult with the special medical advisory group (SMAG) (and any appropriate SMAG subcommittee) established under present section 4112a of title 38 (cross reference should be made to section 6 of the Committee substitute in which new section 5063(b) directs the Administrator to establish an Advisory Subcommittee for Assistance for Health Manpower Education and Training under SMAG) and with the dean's committee for any VA hospital where a Center is to be established.

Section 3.—Subsection (b) amends the table of sections at the beginning of chapter 73 to include appropriate reference to the new subchapter added by section 4 of the Committee substitute.

Section 5 adds at the end of subsection 5001(c) of title 38, regarding the location of VA hospital and domiciliary facilities, a requirement—reflecting present VA policy—that, to the extent feasible, a new VA hospital shall be constructed only in close proximity to an accredited medical or osteopathic school which is affiliated or has agreed to affiliate with the VA hospital in question. Replacement hospitals (where affiliations did not exist at the replaced hospital) are specifically exempted. Such construction shall include such classrooms, lecture facilities, laboratories, and other teaching facilities (reference to teaching space, aids and beds in the original bill was deleted as redundant) necessary to carry out health care manpower training in accordance with the purpose of the new chapter 82 to be added by section 6 of the Committee substitute. (Similar language is included in the proposed subchapter II (section 5064) of that new chapter, regarding improvements to existing VA health facilities, for the same health care manpower education and training purpose.)

Section 6.—Subsection (a) adds to part VI of title 38 (Acquisition and Disposition of (VA hospital and domiciliary) Property) a new chapter 82 (Utilization of Veterans' Administration Hospitals to Improve and Expand Education and Training of Health Manpower).

Subsection I of the new chapter sets forth basic chapter-wide requirements for coordination with other Federal programs and promulgation of regulations, authorizes appropriations to carry out the new chapter, and establishes certain limitations on expenditure of funds.

Section 5061 in the new subchapter directs the Administrator and the Secretary of Health, Education, and Welfare, to the maximum extent practicable, to coordinate programs carried out under the new chapter 82, of title 38, and programs carried out under Public Health Service Act section 309 (Project Grants for Graduate Training in Public Health), title VII (Health Research and Teaching Facilities and Training of Professional Health Personnel, including Training in the Allied Health Professions), title VIII (Nurse Training), and title IX (Education, Research, Training, and Demonstrations in the Fields of Heart Disease, Cancer, Stroke, Kidney Disease, and Other Related Diseases).

Section 5062 in the new subchapter authorizes appropriations of $125 million each for fiscal years 1973 through 1979, and provides that any funds appropriated pursuant to this section shall remain available until expended. Of the full amount appropriated annually under this authorization, the new section reserves (earmarks) $25 million only for carrying out new subchapter III (establishment of new health manpower schools and centers) of the new chapter. This new section further provides that no more than two percent of the funds appropriated pursuant to this new section for any fiscal year may be used for administrative expenses in carrying out the provisions of the new chapter. (Other appropriations in connection with the VA medical program could also be used for such administrative expenses, as necessary.)

Section 5063 in the new subchapter.—Subsection (a) prohibits the Administrator from entering into agreements under provisions of the new chapter with respect to new subchapter III pilot programs (establishment of new health manpower schools and centers) after the close of the seventh calendar year after the year in which chapter 82 would take effect, and sets the same prohibition with respect to new subchapter IV grants (assistance to affiliated health manpower training institutions and centers).

Subsection (b) of the new section directs the Administrator to establish the Advisory Subcommittee on Programs for Assistance for Health Manpower Education and Training of the Special Medical Advisory Group established pursuant to present section 4112 of title 38, and further prohibits the Administrator from entering into any agreements or making any grants under these same programs (subch. III & IV) without prior consultation with such Advisory Subcommittee. The Assistant Chief Medical Director for Research and Education in Medicine is made an ex officio member of the new section 4124.

Subsection (c) of the new section directs the Administrator to ensure that qualified veterans shall be given priority for admission to health manpower education and training programs assisted under the new chapter or any provision of title 38, and that highest priority be given to those who served during the Vietnam era and those who are entitled to Veterans' Administration disability compensation or whose discharge or release was due to a disability incurred or aggravated in line of duty. All Vietnam era veterans and returning servicemen with medical M.O.S.'s are to be advised of, and actively recruited for, opportunities under the new chapter and for training and employment in a health care career in DM&S.

Subsection (d) of the new section directs the Administrator, after consultation with the Advisory Subcommittee established pursuant to new section 5063(b), to prescribe regulations covering terms and conditions for entering into agreements under new subchapter III and making grants under new subchapter IV of the new chapter.

Subsection (e) of the new section with minor modification this new subsection is identical to language recommended by the Comptroller General in his October 6, 1971 report on the bill.

Paragraph 1 requires each recipient of assistance under the new chapter to maintain full and complete records, broken down by projects and showing funding from other sources, as are needed to facilitate effective audit.

Paragraph 2 requires each recipient of assistance to make available to the Administrator and the Comptroller General of the United States (GAO) all such records, books, and other relevant papers.

Subchapter II of the new chapter sets forth new ways for the Administrator to expand the Veterans' Administration in-house health manpower education and training capacity.

Section 5064 in the new subchapter provides in clause (1) that up to 30 percent of the sums appropriated pursuant to the authorization in the new section 5062 may be spent to extend, expand, alter, improve remodel or repair VA buildings (including provision of equipment and, where necessary, the addition of teaching facilities) (reference to teaching space, aids and beds in the original bill was deleted as redundant) to the extent necessary to make them suitable for use for health care manpower education and training to carry out the expanded mission of DM&S as it would be newly defined in the amended section 4101(b) of title 38 (to assist in providing an adequate supply of health care manpower to the Nation, as long as that does not interfere with the primary V.A. mission of providing complete medical and hospital services for veterans) included in section 3 of the Committee substitute. (Cross reference also section 201 of the S. 2354 Committee substitute.) Clause (2) provides that these funds also may be spent for the development of improved methods of education and training which may reduce the period of required education and training for health care personnel without adversely affecting the quality of such education or training.

Subchapter III of the new chapter authorizes the implementation of a pilot program for assistance in the establishment of new public nonprofit medical, other health professions, and allied health schools and area health education centers, if located in proximity to and operated in conjunction with VA medical facilities.

Section 5065 in the new subchapter sets forth the purposes of the new subchapter, as described above.

Section 5066 in the new subchapter defines the term 'area health education center,' 'health professions school' (includes nursing) and 'state.' Accreditation, or reasonable likelihood thereof, by recognized bodies is required as a precondition to assistance.

Section 5067 in the new subchapter.—Subsection (a) describes the assistance which may be provided to eligible institutions in three clauses as follows:

Clause (1) of the new subsection.—Leasing to the college or university of land, buildings and other structures (including equipment therein) under the control of the Veterans' Administration as may be necessary for the establishment and operation of a school or center as defined in new section 5066. Adopting the general proposals in section 301 of the administration's sponsored bill (S. 1924), the clause provides that any lease made pursuant to new subchapter II of new chapter 82 would be authorized to be made without regard to the provisions of section 5 of title 41, United States Code, which requires advertising where the lease exceeds $500. Since any lease under this section would not be for commercial purposes, but only for health, or educational purposes, advertising in these cases serves no useful purpose but does involve time and expense that is considered unnecessary.

In addition, any lease under this subchapter would be exempt from the provisions of section 303b of title 40, which bars lease provisions calling for alteration, repair, or improvement of such leased property as part of the consideration for the rental to be paid. Under the proposed change, the lessee would be permitted to maintain, protect or restore

property where such property is leased to public or nonprofit organizations. In negotiating the rental value, practice is to set a rate that will serve to recapture the value of all services provided by the Government. In some instances, if the lessee were required to provide for maintenance and protection of the property leased, the Veterans' Administration could be relieved of certain expenses for materials and personnel.

Clause (2) of the new subsection.—Extension, remodeling, or repair of buildings and structures (including the provision of initial equipment or the replacement of obsolete or worn out equipment—reference to the addition of hospital teaching beds in the original bill was deleted as redundant) to the extent necessary to make the VA hospital in question suitable for use as a health care personnel training school or area health education center facility.

Clause (3) of the new subsection.—Payment of grants to support the costs of faculty salaries during the first seven years of the school or center's operation, such support to represent not more than 90 percent of the cost of faculty salaries during the first three years of operation and not more than 80, 70, 60, and 50 percent during the succeeding four years of operation.

Subsection (b) of the new section.—Paragraph (1) sets forth requirements that must be included in the agreement with the institution, entered into by the Administrator pursuant to new section 5067(a), as follows:

Clause (A) in the new subsection.—That state or other financial support for the proposed school or center be adequate. Present section 5035(a)(6) requires similar assurances in connection with the application by a state for V.A. construction grants for state veterans nursing facilities. The original S. 2219 clause (A) required the college or university to submit a plan whereby it agreed to provide during the term of the agreement its share of the financial support for the proposed school or center, including full financial support for all programs essential to assure that the school will meet the accreditation standards of appropriate accreditation bodies approved for such purpose by the Commissioner of Education of the Department of Health, Education, and Welfare. This language is deleted in order to provide the Administrator more flexibility in connection with this condition, although the original provision should be referred to for guidance.

Clause (B) in the new subsection.—That the overall plans for the school or center must meet such professional and other standards as the Administrator deems appropriate in consultation with the Secretary of Health, Education, and Welfare; and must include significant programs for cooperative interdisciplinary training among health professions and allied health schools, with emphasis on the use of the team approach in providing health services, training for new roles, types or levels of health care manpower (including training of physicians', dentists', or other health professions' assistants and/or nurse practitioners), providing for career mobility, or programs for recruiting, enrolling, and retaining qualified individuals who due to socioeconomic factors are financially or otherwise disadvantaged.

Clause (C) in the new subsection.—That the school or center must maintain mutually beneficial arrangements with the Veterans' Administration medical facility with which it is associated.

Clause (D) in the new subsection.—That the school must show that there is reasonable assurance that with the aid of an agreement under new section 5067(a) it would meet the accreditation standards of appropriate bodies. This requirement was strongly supported by the American Medical Association of Medical Colleges in its testimony.

Paragraph (2) of the new subsection directs that any agreement entered into pursuant to subchapter III shall contain such terms and conditions as the Administrator deems necessary and appropriate to protect the interest of the United States.

Subsection (c) of the new section limits the Administrator to providing assistance in the establishment of a total number of no more than ten new health institutions, which may be public nonprofit health professions and allied health schools or area health education centers, and directs that schools and centers established with assistance under subchapter III shall be geographically dispersed throughout the United States.

Subsection (d) of the new section authorizes the Administrator, in accordance with regulations, to recover from recipients of assistance under the new subchapter III, the facilities which were established with such assistance—and authorizes an action in the appropriate Federal District Court to make such recovery—when he finds that (1) the school has failed to gain accreditation within a reasonable time; (2) it is accredited but has failed to carry out substantially the terms of the agreement entered into under the new section 5067(a); or (3) it is no longer operated for the purposes for which the assistance was granted.

Subchapter IV of the new chapter provides for assistance to VA affiliated medical, other health professions, and allied health schools and other care health manpower training institutions, and area health education centers in order to assist such institutions to expand and improve their capacities to train health manpower.

Section 5071 in the new subchapter sets forth the purpose of the new subchapter, as described above.

Section 5072 in the new subchapter defines the term "eligible institution" as being a nonprofit public or private health professions school of the type defined in section 5066(2), area health education center of the type defined in section 5066(1), or institution for the training or education of allied health or other health personnel, which maintains an affiliation with the Veterans' Administration. Unlike subchapter III, assistance under Subchapter IV is available for nonprofit private as well as public institutions, whereas new subchapter III includes only public institutions.

Section 5073 in the new subchapter.—Subsection (a) provides that grant applications from eligible institutions to carry out projects and programs for the expansion and improvement of the institution's capacity to train health care manpower must include plans to carry out projected programs. Grants which provide for the construction of facilities may support only the extension, expansion, alteration, improvement, remodeling or repair of existing structures (including provision of initial equipment and replacement of obsolete or wornout equipment).

Subsection (b) of the new section authorizes approval of applications for a grant under new section 5073 only if the Administrator finds, in consultation with the HEW Secretary, as follows:

Clause 1 of the new subsection.—That the grant will be for a project or program which will make a significant contribution to improving the education (including continuing education) or training program of the eligible institution and will also result in a substantial increase in the number of students trained at the institution;

Clause 2 of the new subsection.—That there is assurance that the increase in the number of students will not threaten any existing accreditation or compromise the quality of training at the institution;

Clause 3 of the new subsection.—That the application provides for proper fiscal control and accounting procedures;

Clause 4 of the new subsection.—That the application provides for making appropriate reports and keeping such records as the Administrator may require; and

Clause 5 of the new subsection.—That the application sets forth significant programs for carrying out the same innovative programs required in the new section 5067(b)(1)(B) in the new subchapter III.

Section 5074 in the new subchapter provides for the manner in which payment may be made pursuant to grants under subchapter IV.

* * * * *

Subsection (b) of Section 6 makes conforming changes in the table of parts and chapters at the beginning of title 38 and the table of chapters at the beginning of part VI of title 38.

Mr. CRANSTON. Mr. President, before closing, I want to express my personal appreciation to the Senate staff who worked so hard to bring this bill from introduction, through hearings and subcommittee and full committee consideration, to the floor for passage this morning. Most particularly, I am indebted to the tireless and dedicated efforts of Jon Steinberg, my counsel, Louise Ringwalt, research analyst, and Mary Jane McConnell and Terri Morgan, Guy McMichael, general counsel of the Veterans' Affairs Committee, Tyler Craig, minority professional staff member on the committee, and Hugh Evans of the Legislative Counsel's office.

Also, I want to thank the General Counsel's office of the Veterans' Administration for the always excellent quality of its technical assistance throughout our preparation and consideration of this legislation: particularly Al Bronaugh, Associate General Counsel, Bob Coy, Assistant General Counsel, and Charlie Johnston, Deputy Assistant General Counsel.

Mr. President, I want also to express my continuing admiration for the leadership in veterans' matters in the Congress of my good friend from Texas (Mr. TEAGUE), chairman of the Veterans' Affairs Committee in the other body. We have worked together closely on veterans' affairs since I came to the Senate 3 years ago. His staff and mine have already conferred extensively on this measure and the differences between the House and Senate version. We have already taken into consideration the results of those consultations in many places in the committee substitute, and I believe the basic thrusts of the Senate bill will be acceptable to the other body. I feel confident we can agree readily upon a bill to send to the President without the need for a conference.

Mr. President, I appreciate the courtesy and cooperation of the assistant majority leader (Mr. ROBERT C. BYRD) and the minority leadership in calling the bill up this morning. I also am very grateful for the great support and contributions of the chairman of the Veterans' Affairs Committee (Mr. HARTKE), and the cooperation of the ranking minority member (Mr. THURMOND), and the ranking minority member of the Subcommittee on Health and Hospitals (Mr. HANSEN).

Mr. President, the VA operates the country's largest medical system—166 hospitals and 202 outpatient clinics—and is affiliated with 84 medical, 52 dental,

and 304 nursing schools, and 400 institutions of higher learning which train health care personnel. The bill we are about to pass this morning aims to utilize to the fullest extent these extensive VA facilities and relationships to overcome current national health-care shortages and to meet today's pressing medical needs. Enactment of the committee substitute will insure both maximum utilization of the VA potential for training health-care personnel and the highest quality medical services for the veteran.

Mr. President, I move that House Joint Resolution 748 be amended by striking out all after the resolving clause and inserting in lieu thereof the text of S. 2219, as reported by the Committee on Veterans' Affairs on April 21, 1972; that is, the amendment in the nature of a substitute for the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I wish to express my strong support for S. 2219, the Veterans' Administration Health Manpower Training Act of 1972, which was reported by the Senate Committee on Veterans' Affairs on April 21, 1972.

The purpose of this bill is to encourage the utilization, to the fullest extent, of the capacity of VA hospitals and other VA health facilities for the training and education of physicians, dentists, nurses, and other health professionals, including the training of paraprofessionals such as physicians' assistants and nurse practitioners. In order to achieve this objective, the committee bill proposes to improve the capacity of the Veterans' Administration to train these personnel by maximizing the potential of VA medical resources in order that the VA can exert leadership within the medical community in providing these highly innovative health manpower education and training programs.

S. 2219 authorizes programs which will make available a continuing medical education for the health care staff of VA hospitals, the staffs of other Federal medical facilities, and members of the surrounding medical community. These programs would operate on a reimbursable basis and would utilize certain VA hospitals as regional medical centers. This approach will serve a dual purpose, in that it will keep existing VA medical care centers modern and innovative and at the same time help the VA to recruit new and high quality health professionals. This bill also directs that, to the extent feasible, all new VA hospitals are to be constructed in close proximity to a medical school.

The total amount authorized by this bill is $125 million per year for 7 years beginning with fiscal year 1973, which would be allocated as follows:

Up to 30 percent of the amount appropriated each year could be used for expansion of the VA's own hospital education and training capacity through remodeling and renovation of existing facilities to provide for expanded education programs as well as through special allocations to particular VA hospitals to develop and initiate improved programs for education and training.

No less than 25 percent of the total amount appropriated could be used for VA grants to State institutions to assist them in the establishment of up to 10 new medical and allied health professions schools or area health education centers.

Any unused balances could be used for VA grants to any nonprofit medical and other health professions training center which maintains a teaching affiliation with the VA Department of Medicine and Surgery. These grants would be for the purpose of expanding and improving the capacity of those institutions to train health manpower, and while they could be used to remodel existing facilities, they could not be used for the construction of new facilities.

Mr. President, I believe the Veterans' Administration is uniquely qualified to make an enormous contribution to the conception and development of new methods of training of health personnel. I believe that S. 2219 will give the agency the needed authority and the resources to make that contribution, and in addition, it will insure better care for veterans in existing facilities and take us one step nearer to achieving adequate health care for all of the American people.

Mr. THURMOND. Mr. President, I am pleased to add my support to S. 2219, the Veterans' Administration Health Manpower Training Act of 1972, of which I am a cosponsor.

This bill will use our present Veterans' Administration hospitals and facilities for the training of physicians, dentists, and other health professionals. In order to assure an adequate supply of health personnel for the medical care of our veterans, it is essential that prompt action be taken on this bill.

S. 2219 will expand current training measures of the Department of Medicine and Surgery; provide new hospitals in close proximity to a medical school which agrees to affiliate with the VA; expand VA hospital education and training capacity; assist in establishing 10 new medical schools; and will authorize appropriations of $125 million annually for this nationwide program.

Mr. President, VA hospitals have offered hospital based education experience to most of the Nation's medical schools for 25 years. During 1971 more than 50,000 students participated in training at VA institutions. The contribution of the VA to health education has thus been a larger one and the capacity exists for an even larger contribution in the future.

The success and productivity of the partnership between the Federal Veterans' Administration and our higher education system has had great support throughout the entire health care system. Eight hundred eighty-five colleges and universities involved in allied health professions have some sort of affiliation agreements with neighboring Veterans' Administration facilities. There are over 1,000 junior and community colleges with programs in health education. An estimated 2,000 clinical facilities also offer training in allied health fields.

Mr. President, all of these programs are interested in meeting the demand on our health system by training needed professionals in the new techniques. However, rising costs of construction and instruction could very well mean that many of these programs, which have already proven themselves, will be lost. This is one of the reasons why such a plan as that outlined in S. 2219 is necessary.

Another required ingredient of health education is clinical practice within an allied health facility. One of the major roadblocks to the development of such programs is the shortage of clinical sites for these programs. The need is critical for community colleges and universities as this clinical shortage reduces the number of students that can be admitted to education programs.

Another serious roadblock is the absence of well qualified instructors. Teacher preparation already carries a high priority; but without ready means to expand our educational facilities this need cannot be met. Program aid, instruction space and teacher preparation can be enhanced by proper support from the Veterans' Administration.

Mr. President, using the strength of the Veterans' Administration system will bring us nearer to the achievement of our health goals for society. I urge my colleagues in the Senate to join with me in supporting this legislation and in furthering our national health standard.

Mr. WILLIAMS. Mr. President, today the Senate is considering one of the major pieces of health legislation of this session of Congress—S. 2219, the Veterans' Administration Health Manpower Training Act of 1972, which the Senate Veterans' Affairs Committee has reported favorably, significantly improves the VA's health programs and consequently national health programs.

In the United States, we know of severe shortages of medically trained personnel. For example, the country needs a minimum of 48,000 additional doctors and 17,800 dentists to insure Americans of adequate health care. Faced with this shortage, we must progress toward the fulfillment of the Government's responsibility of insuring medical care for all Americans and veterans in particular.

I am pleased to say that I have joined Senator CRANSTON, the distinguished manager of this bill, in sponsoring the legislation before us. This bill addresses itself to the need for medical personnel and for improving facilities in Veterans' Administration hospitals and related facilities.

The Veterans' Administration has an unusual and important position in the realm of health services as it operates the largest medical care system in the United States. The size, diversity, and quality of medical services, and relative freedom from restrictive licensing and regulations permit considerable innovation and expansion of VA health training programs. Furthermore, the VA's Department of Medicine and Surgery is

now actively affiliated with 84 medical schools, 52 dental schools as well as nursing schools, colleges, and universities.

I would like to take this opportunity to comment on a few points of the bill which seem to be most significant. First, it expands the mandate of the VA Department of Medicine and Surgery to assist in providing an adequate supply of health care manpower for national needs in addition to providing complete medical and hospital service for veterans. This expansion of the VA's hospital education and training capacity will be accomplished by remodeling and renovating existing facilities and by developing improved methods of education and training.

A serious problem facing the Vietnam era veteran is employment. In March, the unemployment rate for young veterans was 9.8 percent. This program of expanded training would emphasize recruiting and training veterans with medical military occupational skills so that they may build on their military experience to pursue civilian health careers.

S. 2219 also directs that, to the extent feasible, any new VA hospital is to be constructed in proximity to a medical school. This would maximize the hospital's potential to serve as a training center. I am very interested in this important provision because of the particular situation in southern New Jersey. I have been working with the entire New Jersey congressional delegation and Governor Cahill to secure funds for the construction of a new VA hospital which would serve the nearly 300,000 veterans who live in southern New Jersey. At this time, we are seeking money for planning and the State of New Jersey has committed itself to building a medical school in conjunction with the hospital.

S. 2219 also provides for the extension of grants to public nonprofit institutions to assist in the establishment of up to 10 new schools of medicine and other health professions. This assistance could include leasing cost-free unused VA hospital space and other health facilities, improving and extending such facilities to make them suitable for educational purposes, and reimbursement of salaries paid for the first 7 years of the operation of the new school or center.

A final important provision of this bill to enhance the health care services in the country is made for consultation with the Secretary of Health, Education, and Welfare and academic accrediting bodies to insure the maintenance of high standards of education and health care provided by the facilities.

S. 2219 authorizes $125 million per year for the next 7 years to be spent in implementing these programs.

It is clear that we must make a strong commitment to improving health services in this country. I believe that great progress in this direction can be made by working through the Veteran's Administration Department of Medicine and Surgery. S. 2219 makes such a commitment and will unquestionably raise the caliber of health care in this country.

I want to commend Senator CRANSTON, chairman of the Health and Hospital Subcommittee of the Veterans' Affairs Committee, and a most valued member of the Labor and Public Welfare Committee, for developing this important legislation. His conscientious study and work has resulted in developing this vital program which fills a critical need by providing veterans with the health services they rightly deserve and a substantial improvement in the general health care in America.

VETERANS' ADMINISTRATION CAN CONTRIBUTE SIGNIFICANTLY TO HEALTH CARE

Mr. RANDOLPH. Mr. President, it is a privilege to join my colleagues on the Veterans' Affairs Committee in recommending this legislation. It will significantly expand the role of the Veterans' Administration by increasing health care manpower for the benefit of our veterans, in fact for the benefit of all Americans.

The health care crisis in our Nation grows more acute each day. It is a complex problem. And it is receiving the careful study of many organizations and, of course, the Congress. This bill, S. 2219, the Veterans' Administration Health Manpower Training Act of 1972, can help alleviate this crisis.

By this measure, we are authorizing the expansion of the function of the Veterans' Administration Department of Medicine and Surgery to include assisting in providing an adequate supply of health care manpower for national needs.

Our country needs additional physicians, dentists, nurses, other health professionals, allied health professionals and paraprofessionals and other health manpower, including new types of health care personnel such as physicians' assistants, dentists' assistants, and nurse practitioners.

To meet these manpower shortages requires the establishment of additional institutions and programs to provide the necessary training and education and innovative leadership. The VA is uniquely qualified to fulfill this goal. It has the nationwide network of hospitals, clinics, and extended care facilities and ongoing reputable training and education programs. And by approving this measure we are challenging the VA and charging it with the responsibility to be the leader in putting its medical resources to work in meeting the great national need for additional and new types of health manpower.

The major provisions to attain this goal are a pilot program authorizing the VA to assist in the creation of up to 10 new nonprofit medical and other health professions and allied health schools; the expansion of its own education and training programs; and assistance to institutions which maintain a teaching affiliation with the VA Department of Medicine and Surgery to increase and expand the capacity of those institutions to train health-care manpower.

Mr. President, I strongly believe that all of us will be recipients of the benefits of this legislation. Our veterans will be assured continuing high quality medical care with the most recent techniques and innovations in health care. New health manpower fields and personnel will be more quickly and effectively incorporated into our health care system. And all Americans will have greater access to medical personnel which will be increased by this legislation.

I am hopeful that the House will adopt the Senate's more expanded and comprehensive plan in putting to better use the Veterans' Administration medical network and that we will see the early implementation of this effort to alleviate the health manpower shortage.

Our Veterans' Affairs Committee has carefully considered this new approach to the supply of health personnel and this expansion of the VA medical system and purpose. I believe we are making a vital and important step forward by our recommendations of action. The Senator from California (Mr. CRANSTON) is continuing his effective leadership in the area of veterans health care by his activities of this legislation. I am pleased to cosponsor this vital measure and to have worked within our Committee on Veterans' Affairs to bring it to the Senate for approval.

Mr. HANSEN. Mr. President, the Veterans' Administration Health Manpower Training Act of 1971 will provide much needed assistance to schools of medicine and allied health care preparing personnel for the increasing responsibility in care of the people.

The need for increasing these professionals has been well documented. The community need continues to be greater than the source can accommodate with current structures and budgets. There is a great need for the VA hospitals to be prime movers in coordination with the local State and regional plans for health training system approach to meet health manpower needs.

The colleges through such a bill could first, expand existing programs; second, provide multidisciplined laboratories that would keep down cost of duplication of expensive equipment; third, assist with better utilization the scarce highly specialized structures in health occupations; fourth, have more clinical facilities of a variety with experience available for teaching health workers; fifth, do individual student teaching programs for returning veterans and new career persons.

There is a great need for health occupation education innovation centers in the States. This bill could assist in allowing the development of research of new programs which is almost financially prohibitive by each individual public college. Their acceptance into the revisions of the systems of health care that is practically upon us cannot be borne by college financing alone.

When a form of true universal health care meets us—and some will say it is not too far away—there will be an increase in price in health manpower training sources.

This bill could be a vehicle through which programs can be studied in light of a coordinated system with the colleges.

The amendment was ordered to be engrossed and the joint resolution (H.J.

Res. 748), as amended, to be read the third time.

The joint resolution was read the third time, and passed.

The preamble was agreed to.

The title was amended so as to read: "A joint resolution to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new public nonprofit medical, other health professions, and allied health schools and area health education centers and the expansion and improvement of health manpower training programs in Veterans' Administration facilities and in existing educational institutions affiliated with the Veterans' Administration; to afford continuing education for health manpower of the Veterans' Administration and other Federal departments and agencies at regional medical education centers established at Veterans' Administration hospitals throughout the United States; and for other purposes."

Mr. CRANSTON. Mr. President, I move that S. 2219 be indefinitely postponed.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I take this opportunity to congratulate the distinguished Senator from California (Mr. CRANSTON), chief sponsor of the bill for his leadership in bringing this matter to the floor and his splendid managership of the measure on the floor.

Mr. CRANSTON. I thank the Senator for those remarks, and for his cooperation and advice in helping me get the bill moving and passed as quickly as we have.

Mr. ROBERT C. BYRD. I thank the Senator.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the distinguished Senator from Alaska (Mr. GRAVEL) was to be recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Tennessee (Mr. BROCK) may proceed now under the order, and that the time allotted under the order with respect to the Senator from Alaska follow thereafter.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The Senator from Tennessee (Mr. BROCK) is recognized for not to exceed 15 minutes.

EDUCATION: SMALL RETURNS ON A BIG INVESTMENT

Mr. BROCK. Mr. President, quality public education is essential if America is to maintain her role of leadership in world affairs. Americans are spending billions for quality education for all, but are not getting it. It is time for Americans to demand a decent return on the tremendous financial investment they have made in education.

We have utterly failed to come up with constructive, creative solutions to our education problems. We have settled for sensational, simplistic solutions that have created more problems than they have solved.

It was assumed, on very little evidence:

First, that more money made better quality education, and

Second, that busing was necessary to make it equal.

School expenditures went from $18.5 billion in 1965 to $40 billion this year, and busing was ordered in many cities. Recent studies prove that more spending does not make quality education, nor does busing make it equal.

We need:

First, to make a close examination of our education programs and scrap those that have proven ineffective.

Second, to test new ideas in education and implement those that prove effective.

QUALITY EDUCATION: AN ESSENTIAL GOAL

America has always recognized quality education as an essential goal, but it has not been reached. The Office of Education estimates that 24 million Americans 18 years and over are "functionally illiterate"—they cannot read, write, or count at a fifth-grade level. Yet, only 6.4 million Americans, 14 years and over, have not had at least 5 years of school. This does not say much for the quality of education received by 17.6 million of these Americans.

Several years ago it was recognized that quality education was not being provided. The standard liberal answer to any problem was applied—spend more money. A myriad of programs resulted. Unfortunately we did not ask ourselves what goes into a quality education.

The quality of education was measured by its input rather than its output. It was assumed that lower teacher-class ratios, higher teachers' salaries, larger libraries, more equipment, and so forth, all calling for more money, would guarantee quality education. School expenditures rose at an astonishing rate. Class sizes were lowered, teachers' salaries raised, libraries enlarged, and new equipment bought. Quality of education was measured by those inputs and assumed to be good. This theory of quality education has been demolished by a number of studies.

In 1967, the Coleman report destroyed the assumption that high financial input produces quality educational output. James Coleman analyzed the findings this way:

> The evidence revealed that within broad geographic regions, and for each racial and ethnic group, the physical and economic resources going into a school had very little relationship to the achievements coming out of it.

Does this justify demands for more and more education spending?

Funds which went into poorer schools under title I of the Elementary and Secondary Education Act of 1965 have proven very ineffective. Of 189 programs aimed at reading scores there were 58 programs with positive gains, 50 with losses, and 81 programs with no significant change. Surprisingly, some of the least expensive programs were the most effective and vice versa. A recent Government-sponsored report by the American Institutes for Research found that on the average the most effective projects cost $279 per student, while the least effective project averaged $513 in one State and $395 in another. Despite the revelation that more money does not provide quality education, many continue to demand more and more education spending.

EQUAL EDUCATIONAL OPPORTUNITY: AN ESSENTIAL GOAL

Equal educational opportunity is an equally essential goal. Early analysis of the Coleman Report indicated that black lower-class children, integrated into a white middle-class environment, performed better than in a lower-class black environment. We were told that black exposure to a white environment was necessary for equal educational opportunity. Many liberal judges made a mistake similar to that made earlier by liberal legislators—they jumped to a major policy decision on the basis of a fallacious theory. A misinterpretation of the Coleman report led them to order massive busing in many cities. Later study of the Coleman report has indicated that the poor black children did better not because they were in a white environment, but because they were in a middle-class environment. Herbert J. Kesling, came to the conclusion that a middle-class environment aids education, but that there is "no good evidence" that integration by itself does much to raise the achievement of low-income Negroes. Many have continued to demand more busing, and have gotten it.

Harvard University recently sponsored an in-depth study of the Coleman report by experts in education, civil rights, sociology, and statistics. In it, Samuel Bowles and Henry M. Levin found that the conclusion that Negro achievement is positively associated with the proportion of fellow students who are white was not supported by the evidence of the Coleman report. It found the combining of socioeconomic classes accounted for slight gains by low-class blacks placed in middle-class white schools. Thomas Pettigrew, former Chief Consultant to the U.S. Civil Rights Commission, found that the gains made by poor blacks in mostly white, middle-class schools amount to "less than one-sixth of the difference between average Negro and white achievement at grade 12.

Daniel P. Moynihan summarizes the evidence of the Coleman Report this way:

> After receiving students who are unequally prepared, and unequally supported at home, the schools do not bring those students to educational equality. One way of looking at it is that the school does not slow down those who are ahead and speed up those who are behind.

It may be that busing slows down students who are ahead, but this is inconsistent with our earlier stated objective—to provide quality education. Is there no method of supplying quality education and equal education? The Harvard Study indicates that there is.

The most important element in a child's education was found to be the family involvement in that education. David J. Armor said:

> Family inputs are far more powerful predictors of achievement than school inputs, and this is true for both races.

Involvement of the family was found to account for up to 40 percent of the advantage in educational achievement of whites over blacks. Equal education can best be achieved by parental involvement in the schools, which is most likely in a locally controlled, neighborhood school, and highly unlikely when the child is bused across town to a school the parents know little or nothing about. The Coleman report has been cited by liberals for 5 years as evidence supporting forced busing. This most recent analysis indicates that it can better be used as evidence for opposing it.

SOCIAL EXPERIMENTATION

We should be careful about how we invest our time, money, and effort. Theories on education, as well as those on other areas of Government should be subjected to social experiments using the scientific method. A business would not go into mass production of a product if the theory behind the product, no matter how logical, were not tested. This idea should be applied by Government if it is to provide the public with the best services for its tax dollars. It was recently applied by OEO to the idea of performance contracting.

Performance contracting is a method of education which pays educational firms on the basis of improvements made by students on standardized tests. Early reports indicated that it was an answer to all our education problems. Rather than jumping into an expensive nationwide program, OEO decided to run a social experiment on the idea.

The experiment tested the ability of education technology firms to improve the reading and math abilities of underachieving youngsters. Eighteen underprivileged school districts were selected representing urban and rural areas. One positive aspect of this experiment was that it took the education problems of the rural areas into consideration. Education programs have for too long been directed solely at urban areas, while rural areas have been ignored.

The most academically deficient student body in a district was turned over to an educational firm to serve as the experimental group. The second most deficient received traditional education and served as the control group. The experiment lasted one school year. Traditional education techniques were used.

Performance contracting was considered a success when an experimental class's average improvement was one-tenth of a grade better than that of the control group. It was considered a failure when the experimental class's average was one-tenth worse. Of 212 pairs of classes, 31 cases performance contracting was considered a success, in 54 a failure, in 127 about the same. There were positive results from small, southern communities. Of 72 tests in the South, 22 found the experimental group to be successful, and only four a failure.

The test indicated that there are positive aspects to contract education, but it showed that contract education is not the educational cure-all it was originally thought to be. Had there not been a test such as this there might have been an expensive and fruitless national move to contract education.

Had we gone a bit more cautiously in the past and applied experiments such as this to Federal spending and busing for racial integration, it might be that we would have realized earlier that they are not means for achieving quality education for all, the end everyone desires.

INNOVATIVE PROGRAMS

There are many innovative programs that show signs of giving us quality education at primary, secondary, and college levels. Some involve parents in that education, which is the primary element in improving the disadvantaged's education. These ideas if carefully evaluated and studied could help us reach our goal of quality education for all at the least expense to the taxpayer.

Local control of the school system shows signs of being a good means of getting parents involved in the education of their children. Gary, Ind., which is predominantly black, elected a black mayor a few years ago. He appointed several blacks who had children in the public schools to the schoolboard. They looked at the records of their public schools, found them very poor, and decided to conduct their own experiment with contract education. They turned the entire Banneker Elementary School over to a private company for 3 years. It was paid the normal per student cost of education. The money was to be refunded if students did not meet national norms on tests.

The education firm chose to rely heavily on community personnel, rather than the traditional reliance on the teachers. The professional teaching staff was cut from 33 to 23, and 26 aides were hired from the community. This move is in accord with the new analysis of the Coleman Report—it encourages community involvement in education. After 1 year the results are very encouraging. The school went from only 25 percent of its students at or above national norms on reading and mathematics tests to 73 percent.

The Gary School Board is also considering experimenting with the voucher system, a program which would force parents to become involved in education. Under it a family would be credited with a certain amount of money per student. It would be given to the school they chose to send him to. Parents would pick the better schools and the out-of-step schools would be forced to improve. This, like the contract program, is an attempt to apply aspects of private enterprise to education, forcing schools to provide taxpayers with the best quality of education for their money.

Another program which is expected to more positively involve the parent with the education of his child is the preschool program in the home. It is being tried in Myrtle Creek, Oreg., under an Office of Education grant. The program is oriented around the home and the mother. A teacher visits the home once every 2 weeks to leave a lesson packet of suggested activities which the mother can participate in with her child. Group activities are held every 6 weeks where a show-and-tell session is held. Cost per student per year is reduced from $500 to $150. There are 38 specific skills which they are trying to develop, but the main objective is the involvement of the parents in the education of their child.

Year-round school systems have been instituted in several places. They are sound educationally, psychologically, and economically, and those tested have been liked by students, teachers, and parents. Forty school systems across the country are considering such programs. These programs attack what a recent study has found to be a major problem in equal education. The study, conducted by Stovald P. Hayes and Judith Grether, suggests that one problem in equal education is the use of long summer vacations. Middle-class and lower-class children progress at about the same rate during the school year, but learning during the summer, as measured by achievement tests, almost stops for lower-class children, while it continues at about the same rate for middle-class children.

Prince William County, Va., has had a very successful program. Students are divided into four groups, generally by neighborhood. A group will go to school for 9 weeks, then vacation for 3 weeks. The groups are staggered so only three-fourths of the students are in school at one time, therefore only three-fourths of the classroom space of a traditional school is needed. It is estimated that Prince William will save at least $12.5 million in classroom costs by 1980 if it continues this program.

Boston University instituted the college of basic studies to attack the problem of equal education. Students denied admission into the regular 4-year program because of poor academic backgrounds, are offered admission into a 2-year program that exposes them to the intellectual environment lacking in a lower-class home.

Each student has only five instructors—one in humanities, science, social science and rhetoric, psychology and guidance. There is a closer student-teacher relationship through many informal, as well as formal meetings.

A Harvard study of the program reveals that "perhaps the most provocative aspect of the college of basic studies plan is that it provides increased student-faculty contact by modifying the use of currently available resources, rather than by allocating new resources. Thus it generates increased educational excellence without increasing the cost of education."

Results have been excellent. Sixty-four percent of the students entering the program go onto a 4-year institution, 36 percent into Boston University. This is outstanding when compared with the 33 percent national average success rate for 2-year institutions.

Another positive aspect of this program is that it was initiated on a grant from the private sector. An Esso Education Foundation grant supported it. This may be a shock to those with little faith in private enterprise—successful education programs have been started without Government aid.

Quality vocational education is necessary if America is to continue to lead the world in technology. The unemployment rate among secondary school graduates, with or without some college, is

more than three times as high as that of vocational education graduates. Nearly 100 California community colleges provide job-oriented education and high schools are encouraged to do the same. Through these, 1 million young people received vocational education during the 1970–71 school year. It might be a good idea if Congress would encourage more vocational education, possibly by raising the level of GI benefits for taking vocational education, possibly by raising the level of GI benefits for taking vocational training from $135 per month to what is now paid for college, $175 per month.

The USOE has encouraged schools to adopt cooperative partnerships with industry. This can give students on-the-job training, without the schools having to purchase expensive equipment. A student may also earn a small salary, which might enable him to stay in school. A good example of a cooperative partnership occurred following the 1967 riots in Detroit, Chrysler Corp. established one with the predominantly black Northwestern high school.

The university without walls program is an attempt to make education relevant. Under it a student is given credit for working in his major area of interest. Examples are supervised internships in schools, hospitals, museums, and businesses; and participation in the Peace Corps and Government agencies. This program is being offered by 17 established colleges across the country with funds contributed by many groups including the Ford Foundation, the United Nations, and HEW. Once established, this program will broaden educational opportunities, without requiring students on such work-study programs in their college communities. Preference would be given returning GI's, the hardest hit by unemployment.

A PROGRESSIVE EDUCATION POLICY

My arguments today all point favorably to a progressive education policy. Change is necessary if we are to provide quality education for all, but we must be sure, before we institute programs on a massive scale, that they attack the problems at which they are aimed.

Ineffective programs of the past must be scrapped. It will not be easy. What OEO Director, Phillip V. Sanchez, has called "educational monopolies" are more interested in guaranteeing job protection for their members than in quality education for our children.

More importantly, we must be more careful in the future. We must test proposals which are aimed at our problems. We must fund programs which will solve them, not that that will become part of the enormous, ineffective, self-perpetuating bureaucracy which only add to them.

Busing and massive spending are both simplistic solutions to our very complex education problems. It is time to move ahead in the field of education. We must accept the facts. Pumping more money into programs that have proven to be ineffective will not make them effective. Busing does not solve the problem at which it is aimed, and may well add to it.

We need to look elsewhere for constructive, creative solutions to our problems.

If America is to maintain her role of leadership in world affairs, we must make new efforts toward the end we all desire—quality education for all.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time which was allotted under the order of Tuesday to the distinguished Senator from Alaska (Mr. GRAVEL) now be allocated instead to the distinguished Senator from Arkansas (Mr. FULBRIGHT), in view of the fact that Mr. GRAVEL does not want to utilize the time. This will not make any change in the overall format. One Senator will be substituted for another. We have done this many times. No additional time is given, and no new order is entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately following the remarks of the distinguished Senator from Arkansas (Mr. FULBRIGHT), there be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRESIDENT NIXON'S SPEECH LAST EVENING ON VIETNAM

Mr. FULBRIGHT. Mr. President, last night, as I listened to the President speak, I waited for the answers to three questions:

When will Americans no longer be fighting and dying in Vietnam?

Is there a plan to obtain the release of our prisoners?

What is the justification for continued American involvement in the war in Indochina?

The President gave us indirect answers to these questions. His answers were not those that I, and I believe millions of other Americans, had hoped to hear or been led to expect.

The answer to the first question is apparently that Americans will continue to fight and die as long as it is necessary for them to do so in order to save the South Vietnamese Government from military defeat.

The answer to the second question seems to be that there is no plan to secure the release of American prisoners but that, on the contrary, his plan for a continuing commitment of large numbers of American forces insures that the number of American prisoners will continue to rise.

The answer to the third question appears to be that the ultimate justification for continued American involvement is not protecting American forces still in Vietnam or permitting American withdrawals to continue or securing the release of American prisoners, justifications the President has claimed at one time or another, but rather that the North Vietnamese "cannot be allowed to win" a military victory on the battlefield.

From the answers to these three questions we learned last night that Vietnamization does not mean what we thought it meant. It does not mean that the South Vietnamese will soon fight the war themselves and that all American forces can now be disengaged. It means instead that American forces will remain committed indefinitely in Indochina until the North Vietnamese are defeated or until they stop fighting.

The President asks us to measure the "success" of Vietnamization by the withdrawal of 480,000 men and the announcement that 20,000 more are to be withdrawn in the next 2 months. He ignores the fact that more than 30,000 additional American men have been committed to the Indochina theater in the past 6 weeks and that in order to maintain the present tenuous position of the South Vietnamese forces he has found it necessary to order "air and naval attacks on military installations in North Vietnam until the North Vietnamese stop their offensive in South Vietnam." That was not my understanding of what Vietnamization meant.

The public and the Congress have supported President Nixon's Vietnamization policy for almost 3 years. They did so with the understanding and expectation that Vietnamization was a means of insuring that, even if negotiations failed, there would be a way of terminating American involvement in the war. Those who would have preferred a more rapid pace of withdrawals than that ordered by the President were nevertheless reassured by the promise that Vietnamization was an "irreversible" process.

Now that the inevitable test of Vietnamization is upon us and the President has spoken, we realize to our dismay that it was wrong to infer that Vietnamization meant any lessening of the administration's commitment to the present South Vietnamese Government. The President's promise in this year's state of the world message "to move toward ending the war for America through Vietnamization" was not what it appeared to be. Vietnamization may have moved us "toward" an end to the war, but the end which the President has in mind is now revealed to be not the end of American involvement by negotiation but the denial of victory to the North Vietnamese—"a victory," he said, "they cannot be allowed to win."

We heard last night what we have heard so many times before.

An optimistic report from the American commander in Vietnam whose name has changed but whose report was all too familiar.

An appeal to fear of the relentless march of communism "in the Middle East, in Europe and in other international danger spots."

The perennial and emotional argument that the war must be ended "in such a way that the younger brothers and

sons of the brave men who have fought in Vietnam will not have to fight again. . . ."

The invocation of the "responsibilities" of world leadership.

It was a familiar litany, one that has been spoken by other voices in other times thousands of lives ago.

In conclusion Mr. President my reaction to hearing the President's speech was one of acute depression and sadness for our country; that after all these years of increasing destruction of life and property, there is no end to this epic tragedy in sight.

The President has changed the character of the war insofar as American foot soldiers are concerned. He has reduced the loss of American lives for which I am thankful.

But at the same time in changing the character of the war to one of unlimited air and naval bombardment, he has removed one of the normal human restraints upon the savage cruelty and inhumanity present in all wars.

The most succinct comment upon the changed character of war that I have seen appeared recently in the New Yorker magazine, which reads as follows:

> Our new strategy has done away with one of the most fundamental restraints on warmaking. It used to be that those who would kill also had to be ready to die. Even large armies facing small armies knew this and felt it, and, by extension, the societies they belonged to knew it and felt it. There was a feeling of equality in the face of death which touched both sides and formed the basis for whatever codes of honor have appeared in war. Sometimes, indeed, it formed the basis for paradoxical expressions of brotherhood between opposing armies, such as have regularly appeared in the history of war. The nearness and sureness of death gave war its solemnity, its feeling of great weight for an army or a people. It could not be undertaken casually—not for very long, anyway. But the present policy aims precisely at making the waging of war casual and acceptable. It confronts the innocent and the supposed foe alike with an army of machines, and rests on the assumption that although we don't like to die we don't mind killing. The war that this country's government is waging now is war trivialized. Never has a nation unleased so much violence with so little risk to itself. It is the government's way of waging war without the support of its own people, and involves us all in the dishonor of killing in a cause we are no longer willing to die for.

Mr. President, this is an ominous development. Not only does it mean continued horror and destruction, or in the words of the President a "blood bath" for the Vietnamese people, but it says something significant about the meaning of "Vietnamization" and about the sensitiveness of our people to the moral aspects of this war.

It is something about which all Members of this body and all Americans should be deeply concerned.

Mr. CURTIS. Mr. President——

Mr. FULBRIGHT. Mr. President, I yield the remainder of my time if it is in order to do so, to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I listened very intently last night to the speech of President Nixon and I want to commend him for it. In these trying times, I am convinced that the American people appreciate honesty and candor. They like to have a President that levels with them. President Nixon faced the situation involving the North Vietnamese invasion of the South and did so courageously.

I believe that what he has done has met with the approval of the vast majority of Americans. Furthermore, I believe that millions and millions of Americans are grateful to President Nixon for his program. They are grateful for the fact that during his years in office close to half a million of combat troops have been brought home—almost 500,000—to this country. They are grateful for the fact that our casualties have gone down about 95 percent. Of course, one casualty is too many. And we hope that the day will soon arrive when there will not be any casualties.

Why should we harass and hinder and retard a program that is working? The withdrawal of the U.S. troops from the combat zones in Southeast Asia is a success. The boys are home. Casualties are down. How could we serve the peace of our country by harassing or interfering with that?

I believe that the senatorial critics of the President would enhance their standard if they would condemn the aggression of the North Vietnamese.

ORDER OF BUSINESS

The PRESIDING OFFICER. In accordance with the previous order, there will be a period for the transaction of routine morning business for not to exceed 30 minutes with speeches by Senators limited to 3 minutes.

ORDER FOR RECOGNITION OF SENATOR MOSS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, immediately following the recognition of the two assistant leaders under the standing order, the distinguished Senator from Utah (Mr. Moss) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAIL PASSENGER SERVICE ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, having discussed this matter with the assistant Republican leader, I ask unanimous consent that the time on H.R. 11417, the so-called Amtrak bill, be limited to 3 hours, to be equally divided and controlled by the manager of the bill and the distinguished Senator from New Hampshire (Mr. COTTON); that the time on an amendment to be offered by the Senator from Rhode Island (Mr. PELL) be limited to 1 hour, to be equally divided and controlled between the distinguished mover of the amendment, the Senator from Rhode Island (Mr. PELL) and the distinguished Senator from New Hampshire (Mr. COTTON); that the time on any other amendment be limited to 30 minutes, to be equally divided and controlled betwen the mover of such and the manager of the bill unless the manager of the bill supports the amendment, in which case the opposition would be under the control of the assistant Republican leader or his designee; provided further, that Senators in control of the time on the bill may yield therefrom to any Senator on any amendment, debatable motion or appeal; provided further, that the time on any debatable motion or appeal be the same as on amendments—30 minutes—to be equally divided as aforesaid on such.

Mr. GRIFFIN. Mr. President, would the Senator make provision for the possibility of an amendment to an amendment?

Mr. ROBERT C. BYRD. That would be 30 minutes.

Mr. GRIFFIN. I thank the Senator from West Virginia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Presiding Officer and the distinguished assistant Republican leader.

Mr. GRIFFIN. Mr. President, this has been agreed to after checking with the distinguished ranking minority member of the Committee on Commerce, the Senator from New Hampshire (Mr. COTTON). It is the hope of both the majority and the minority leadership that the 3 hours allocated on the bill will not be used so that we can get to other items of legislation which we hope to finish today. Even though 3 hours is allocated to the measure, we hope the 3 hours will not be used.

Mr. ROBERT C. BYRD. I thank the Senator.

THE PRESIDENT'S SPEECH ON VIETNAM

Mr. AIKEN. Mr. President, I listened to the President's report to the Nation last night. Frankly, I was disappointed. Up until 3 weeks ago, I had hoped and believed that when the President spoke last night he would announce that our withdrawal from the Vietnam area had been virtually completed. He did not do that. He did not feel that he could announce a complete withdrawal, although I am glad that he did announce the withdrawal of 10,000 troops a month for the next 2 months.

The reason that he did not and could not announce that our withdrawal would be complete by midsummer was that the support given to the North Vietnamese and the encouragement given them to escalate and prolong the war had been such that the result of making the kind of report I would have liked to hear was simply out of the question.

There are those—and it has been reported that there is at least one prom-

inent candidate for Presidential office—who have recommended that we accept the North Vietnamese peace terms. Those terms call for the removal of all defensive weapons which we have furnished the South Vietnamese. Those terms call for the overthrow or repudiation, if one wishes a milder word, of the Government of South Vietnam.

I think that we ought to realize how we got into this mess in the first place. We got into this because between 1950 and 1956 the North Vietnamese, the Hanoi government, had slaughtered, according to the best estimates, about 200,000 people. Between 1954 and 1956 it is quite accurately estimated that 900,000 people slated for punishment fled the country, aided by our furnishing ships to help them get out.

The International Control Commission was in effect at that time. However, the Hanoi Government would not let any people desiring to leave the country approach that Commission which was supposed to be of assistance to the refugees. Nevertheless we assisted 900,000 of those people to get out and to the south. Their religious beliefs entered into that situation very strongly.

Those 900,000 people are still in South Vietnam. What North Vietnam asks is that we now turn them over to them for such punishment as they see fit to give them. Many of them would undoubtedly receive the same punishment as the 200,000 people of their own belief got in North Vietnam during that 6-year period 1950–56.

I do not believe that the continuation of the bombing of North Vietnam is going to have any particular effect on the present battle that is going on today.

Whether it does in the future, I do not know. The bombing of North Vietnam was rather disastrous in 1966 to 1968 and I doubt the effectiveness now.

Finally, I want to say I am intensely proud of the United States. This is my country. We have done quite a lot of good in the world in spite of what you may have been hearing lately. In fact, I think we have done 100 times as much good in this world as we have done bad through the mistakes which we have made.

Now, all that I ask of the critics of President Nixon is please do not encourage this war to go on; please do not take the side of the enemy.

It is a North Vietnamese war now; it is not the Vietcong. We all got letters from Madam Binh the other day. The trouble with her letter was it should have been sent to Hanoi instead of charging us with increasing hostilities and bloodshed in Vietnam. It was not the United States but the North Vietnamese that precipitated the latest orgy of bloodshed in South Vietnam.

I certainly do not support the North Vietnamese in his terrible effort they are making to get control of South Vietnam and wreaking their vengeance on between 1 million and 2 million people now living there who disagree with their beliefs, philosophy, religion, and form of government.

I hope we can terminate our military involvement in Vietnam at an early late, but giving encouragement to North Vietnam will only delay that time.

Mr. GURNEY. Mr. President, I listened very carefully to President Nixon's address to the Nation last night on Vietnam. I thought it was the greatest speech he has made during his Presidency. It was factual; it leveled with the American people, it was spoken with great sincerity and conviction, and it told them exactly what the President has been doing about Vietnam since he took office in 1969, and what he is doing about this present massive invasion over there. The President's speech made me proud to be an American.

I listened a short time ago to the distinguished chairman of the Committee on Foreign Relations criticize the President in his recent naval and air bombardment against this massive invasion. I heard him say it filled him with a spirit of acute depression, and that he sees no end to the war.

I have to be frank. His remarks filled me with acute depression, too, because no mention was made of what North Vietnam is doing to South Vietnam; no mention was made of this horde of Russian tanks, the most modern equipment the Russians can furnish, moving to kill the South Vietnamese people, the South Vietnamese troops, and to be used against our troops if they reach the coast.

Does the chairman think that they shoot marshmallows out of the muzzles of their guns against the people of South Vietnam? I do not know that there is a difference between being shelled from a cannon and bombed from airplanes. But I do know that the President is trying to do two things: One, he is trying to make sure that that Communist horde does not overrun our remaining troops in Vietnam and drive them into the sea; and second, he is trying to fulfill the U.S. commitment to these people made by three Presidents, including the present incumbent in the White House.

I think this was a great speech, and in summing up I would like to read one portion to the Senate at this time:

> If the United States betrays the millions of people who have relied on us in Vietnam, the President of the United States, whoever he is, will not deserve nor receive the respect which is essential if the United States is to play the great role we are destined to play of helping to build a new structure of peace in the world. It would amount to a renunciation of our morality, an abdication of our leadership in the nations, and an invitation for the mighty to prey upon the weak all around the world.

The President is 100-percent correct. Here is one Senator who backs him up 100 percent.

If we in the Senate will back up the President now in what he is doing in South Vietnam to blunt and stop this last desperate Communist gamble to end this war with this massive invasion, and aggression, and if we in Congress and the people in the Nation would rally around the President, this would insure that peace would be around the corner in Vietnam.

Mr. TAFT. Mr. President, President Nixon's message to the Nation last night was a forthright and courageous one which leaves us in the strongest possible position in working for a negotiated peace in Southeast Asia, and not merely a U.S. withdrawal from the fighting.

This is true not only as to the negotiations in Paris, but also with regard to negotiations with the really true suppliers of the North Vietnamese, the Russians, not only in the President's forthcoming trip to Moscow, which we hope will deal with this problem, but also negotiations such as those now being carried on, and carried on as far as we can say with some degree of optimism in the SALT talks in Helsinki.

The chairman of the Committee on Foreign Relations spoke of a feeling there is a risk on both sides. I feel that our air and naval forces and the forces we have in Vietnam are in danger. I think we have to take that into consideration, and that our prisoners are in danger, as well.

The nation that has been carrying out the course of conduct which the chairman of the Committee on Foreign Relations talked about today is Russia. They did not put one man into this operation, yet they have supplied the entire wherewithal with which it has been conducted.

To have said less than the President said would have been to abandon negotiations and a negotiated peace, and to abandon our allies and prisoners, and the cause.

Mr. President, I yield the floor.

Mr. WEICKER. Mr. President, I rise to support the President and to say how proud I am of the statement he made last night. I say that as one who has not always agreed with the President, but on this matter he is right.

As I have said in the past, I would not favor an air war substituted for a ground war. I do not believe in the policy of Vietnamization, and certainly I would not support any future deployment or retention of American troops, not only in South Vietnam, but in Southeast Asia.

I have also said, I want to see our troops brought home safely and I want to see our POW's and MIA's brought home safely. That is exactly what the President of the United States has been pointing toward over the months, and he continued in that direction last night.

We are not talking about the Vietnam war in the context of 1968. There was no invasion by North Vietnam at that time. Some 560,000 troops were there placed by the previous Democratic administration. As I stand before the Senate, thanks to the steady, unspectacular, result-oriented efforts of the President, we have less than 7,000 combat troops in Vietnam today, and that figure will be diminished even further by the end of the next 2 months. That is a far cry from 560,000.

I stand with this man, Richard Nixon, when he decides to do everything possible to pursue the policy of withdrawal, and to see to it that the last man over the bridge home will be alive and not be just as a memory or a statistic. On this matter I am with the President of the United States, not with Communist whims or North Vietnamese invasions or

the misleading, inane rhetoric, of colleagues and candidates on the Democratic side.

Mr. FULBRIGHT. Mr. President, I had nothing further to say, but I would like to comment on the statements that have been made by other Senators on the President's policy.

First, I want to say that while I have followed the distinguished Senator very carefully, I have never heard that the North Vietnamese have demanded as a condition for a political settlement the surrender of weapons given to the South Vietnamese. There have been several statements to that effect. This has been said by the senior Senator from Vermont. I have never heard a justification for the statement that the government of North Vietnam slaughtered 200,000 of their own people. There have been statements that there were very serious disorders in North Vietnam and that people were killed in the turmoil that resulted after the war, but nothing like 200,000 people killed. The only condition the North Vietnamese have attached to a negotiated peace that has been substantive and really significant has been the question of the government of South Vietnam. This has been made clear over and over and over again. To oversimplify, it was whether or not we were willing to accept a coalition government over a substantial period, approximately 1 year, in place of Mr. Thieu. That is really the crux of the matter, and has been for 2 or 3 years.

With regard to the comments of the Senator from Vermont, the insinuation that those of us who disapprove of the present policies are not proud of the country, or think that this country is not a great country, is a most unjustified type of criticism. The question here is: What is in the interest of the United States? I agree with him about what a great history we have had and the many things we have to be proud of. The character of our past history only serves to emphasize the fact that in the present war, which had been going on long before this administration came into office, we have gotten off the track. We have abandoned our ancient tradition of nonintervention in other people's affairs and of allowing other people to settle their affairs in accordance with their own traditions and capacities.

We are the ones, obviously, who are 10,000 miles from our own shores. Vietnam, of course, is the home of the Vietnamese, north and south, and has been for 2,000 or more years. Who is the stranger there? Who is the intervenor? The Americans are just as the French were.

But that, it seems to me, is beside the point. The main point is, what is ir the interest of the United States?

The Senator from Florida asks us to rally behind a policy which I and many other people do not believe to be in the interest of the United States. The Senator, therefore, is asking us to rally behind a policy which has proved to be a failure. I think the proof of the failure of that policy was quite clear under President Johnson. After all, in many respects, and in the main respects, the policy today is the policy of President Johnson, and I do not know why members of the Republican Party are determined to take it to their hearts and assume full responsibility for it. I have never understood why President Nixon would accept a policy which, I think, President Johnson, by his retirement from public life, himself acknowledged to be mistaken. I do not see how President Johnson could have believed that the war in Vietnam was a valid investment of our resources in view of his own subsequent action. It has been a great mystery to me why this administration has stepped into President Johnson's shoes and continued his policies.

I do not excuse the North Vietnamese myself. I take my position because I consider it my duty to do so, representing my constituents. I have no influence in Hanoi. I would like to have had influence among my own colleagues, to let them see that the continuation of this war is against the interests of my constituents, and the interests of the constituents of every Member of this body.

I think the North Vietnamese should have accepted President Johnson's so-called San Antonio formula. I said so at the time. I think they were misguided and stubborn. But I can do nothing about that. The fact that they have been wrong in no way lessens the tragedy to the American people.

The continuation of this war is going to continue to obstruct the solution of our domestic problems, where great sums of money and effort are needed. I said to the President long ago that if he stopped the war he could do practically anything he wished with regard to domestic policies. He would not only enjoy the gratitude of the people, but he would also have the resources available for carrying out his domestic policies.

So it is not a question of what the North Vietnamese have done. Nobody excuses what they have done, any more than he excuses what any other country does in the heat of warfare. War is an inhuman activity. There is no disposition on the part of anybody to excuse what the North Vietnamese have done or what the Russians have done. That is not the question. The question has been, and after so many years of warfare still is, What is the interest of the United States in continuing the war? Why should we continue the war. What is to be gained for our people? I think the notion that the war must be continued as a means of combating of some abstract concept about the spread of communism has proved on many occasions to be invalid.

The other question goes to the care of today's issue, and the concrete, simple proposition is: Is it in the interest of our country to continue to defend President Thieu's government? That is the crux of the matter. I think anybody who is knowledgeable about this subject admits it. Commentators, observers, members of government I think have all come to a concensus that this is the key question. Are we prepared to continue the war, to sacrifice lives and enormous amounts of money, to preserve that particular government, that particular establishment in Saigon? I do not think it is in the interests of my constituents, and therefore I cannot support the continuation of the war. That is all there is to it.

It strikes me that all these other arguments and ideas of past wrongs, either by ourselves or the North Vietnamese, are irrelevant and unimportant compared to the central question at this late date: Is there a justification for the United States to continue the unlimited bombardment, the destruction of life and property, and the unlimited expenditure of funds in Indochina thereby sacrificing things that are seriously and urgently needed in this country?

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Certainly.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. Mr. President, I yield my time to the Senator.

The PRESIDING OFFICER. Does the Senator seek recognition in his own right?

Mr. WEICKER. I do.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. I have two questions. Does the Senator from Arkansas mean what he says—that it is not a question of what the North Vietnamese or the Russians do? They can do anything they want in South Vietnam or Europe; and that will have no effect on our foreign policy? Is there any difference in the chairman's mind as to the situation in Vietnam after the invasion by the North Vietnamese, or is it all the same?

Mr. FULBRIGHT. There is, of course, to our military commanders. If there was a valid reason for action to protect our troops from any real danger I would accept it. I do not believe, however, there is any threat to the lives of our own soldiers. The President has justified the continuation of the war on the grounds that it was necessary to the protection of our soldiers. If there was any immediate danger to the lives of our own soldiers—unless we project them into the fighting area—I have not seen such evidence. I do not think there is any serious danger to our own soldiers.

After World War II, 80 percent of the soldiers in the China-Burma area were withdrawn in 6 months. It is more than 3 years since the President started the Vietnamization program. He has accomplished it a little at a time, for reasons I have never understood.

All I was saying to the Senator was that one could argue endlessly about the peripheral questions involved. I shall not argue those questions. I believe the North Vietnamese have been stubborn, against their own interests and our own.

It is all right to get up and condemn them. I would join the Senator, if it is any comfort to him, and say yes, they have been in the wrong; they have been wrongheaded and stubborn. They should have withdrawn in response to President Johnson's San Antonio proposals. But they did not see fit to do it.

But now the United States has suffered so much, our economy is in disarray, our balance of payments, our taxes, our welfare program—everything is in

disarray. Inflation, unemployment—I do not want to go into all that. What I am interested in is restoring the integrity and strength of my own people. These other matters I consider entirely secondary to that one issue. We can argue about these other matters as an academic exercise, but they do not change the fact that the continuation of the war is undermining the strength of the United States. We are sacrificing not only lives but human resources, and I do not think the Senator can deny that.

Mr. WEICKER. The second question I have to ask the Senator from Arkansas is, he stated that the Republicans have taken to their bosom the policies of President Johnson.

Mr. FULBRIGHT. And I regret it.

Mr. WEICKER. Does the chairman, then, state to the Senate that both the direction of our troops—in other words, going and coming—and the numbers of our troops today are exactly the same, or anywhere near the same, as they were under President Johnson.

Mr. FULBRIGHT. No——

The PRESIDING OFFICER The time of the Senator from Connecticut has expired.

Mr. BAKER. Mr. President, on more than one occasion, I have followed these debates after a Presidential address on television or radio with respect to the policy of the United States and Vietnam, and on occasion I have spoken on the issue, but I think I have never spoken with more conviction than today, following a magnificant speech by the President last night about the involvement of the United States in Southeast Asia, and the future American involvement in that war. It is a pretty gutty thing the President did, in my judgment, after seeing the latest brazen effort by the North Vietnamese to try to subjugate the South Vietnamese, without any apology, any hint of concealment, or any effort to divert world attention from the nakedness of that aggressive thrust, for the President to say, notwithstanding this naked aggression, that we are going to continue with the policy we staked out to begin with, the policy of staked and orderly withdrawal of American troops from Southeast Asia, notwithstanding this provocation by the north, which can have no purpose except to try to challenge the United States on its announced policy of getting out. If the North Vietnamese want us out of Vietnam, all they have to do is wait. So what purpose do they have?

I believe they have a far different purpose. I shall not delay the Senate with what I think their purposes are, in the brief time I have during the restraints of the morning hour. But I will say one further thing in response to the remarks of the distinguished chairman of the Committee on Foreign Relations. He stated that the sole test of whether or not there is a justification for an American policy in this respect is what is in the interests of America.

I very much hope that the Senator does not mean by that that the interest of America is the only concern of the people of the United States or the Senate of the United States. Clearly, it is the first, but is it America first? Does it mean there is no moral responsibility at all to be concerned for the welfare of any other human being, unless he is an American? Does it mean, for instance, that we have gotten to the place where we may decide—possibly we have decided—as a Nation that our original involvement with the land troops in excess of 500,000 American soldiers in Southeast Asia was a mistake? Maybe it was a mistake. It was not a mistake of the making of the senior Senator from Tennessee; I was not here at the time. But that is no apology. What I say is, whether it was right or wrong, it did one thing I am sure of. When we sent a half million American land soldiers into Vietnam, we created a moral obligation to withdraw those troops in such a way that we do not invite disaster in the country that we subjugated by our own troops.

We Americanized that war. We sent American troops there, half a million of them. I am sure we did not intend to turn that into an American war, but we did it, and it would be the grossest sort of immorality, in my judgment, to disengage from that war in a way that completely obliterated the process of de-Americanizing the war. To do so would offer up as a sacrifice the country and people of South Vietnam on the altar of America first.

The PRESIDING OFFICER. The Senator's time has expired, and the time for the transaction of routine morning business has expired.

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business, with a 3-minute limitation on statements therein, be extended for an additional 12 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered, and the time for the transaction of routine morning business is extended by 12 additional minutes.

Mr. FULBRIGHT. Mr. President, I do not know that there is very much point in prolonging this debate. Everyone has his views about it. But the Senator from Tennessee did make a statement which I wish to question.

He said that if the North Vietnamese wish us to get out, all they have to do is wait. I do not believe that, and I do not believe that many other people believe it.

There is no question but that they want us out. This is a very peculiar dilemma. They do not believe, and I think with some reason, that we intend to get out. I do not think there is anything in the President's speech last night that would give any reassurance that he intends to get out. On the contrary, he intends to stay there by proxy, with Mr. Thieu, in full support of him with our forces. This is what makes me so sad. It does not, as I read his speech, mean that his intention is to get out; and the only excuse I can see for the resurgence of the invasion was their conclusion that in view of the breakup of the secret negotiations and other negotiations, there is no intention on our part to get out.

It is inconceivable, it is against all human nature and commonsense, that they do not want us out. If they believed they could achieve that by waiting, I am quite sure they would have.

The Senator interprets my statement as saying that we have no other interest besides our own. He can put it that way if he likes. I would say, as a representative of the people of Arkansas, that the No. 1 interest with which I should be concerned is the strength and welfare of my own country and my own people. I think the Senator from Tennessee would agree with that general proposition.

Then we come to the question, What is in the interest of the people of my State of Arkansas, as well as the people of Tennessee? Is it the continuation of this war, with its very long history? In the beginning, when few people realized what it was going to be like, as the Senator said, they did not intend to Americanize it, but they did, and so on. There is some excuse, in fact one could say there is plenty of excuse for lack of foresight and wisdom, I guess, on the part of any man. But now, after 10 years, I can see no further excuse for not recognizing that the pursuit of the war is not in the interests of the people I represent. Their interest is to get it over with. It is of very minor importance to the people of Arkansas whether Mr. Thieu or Mr. Ky or Mr. Binh or Mr. Minh or anyone else runs the government of a small country in Southeast Asia 10,000 miles away. I do not think they really care.

I cannot understand how the Senator and the President can tolerate a Communist government in China, and go to visit them with great fanfare—the President is also going to Moscow, and we give aid to the Communist government of Yugoslavia—but for some reason, he cannot tolerate even a coalition government in Vietnam. That does not make sense to me.

So all we are really arguing about is the specifics of whether or not this particular program is in the interest of my people, the people of Tennessee, and the people of the country. That is what is at issue.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. Mr. President, I yield so much of my time as he desires to the Senator from Tennessee (Mr. BAKER).

Mr. BAKER. Mr. President, I will take 1 minute, if I may beg the indulgence of the Senator from West Virginia to let me answer the remarks of the chairman of the Committee on Foreign Relations.

Mr. President, the only way that one could doubt that America intends to get out of Southeast Asia, the only way that one could doubt in good logic and judgment that the North Vietnamese do not know that all they have to do is wait for America to disengage, is for the North Vietnamese, the distinguished chairman of the Foreign Relations Committee, or anyone else to disbelieve two hard, cold facts:

First, we have reduced consistently our troop concentrations from over 550,000 to

less than 70,000. We now have the announcement of further reductions.

Second, we have the categorical, unqualified announcement of the President of the United States, in campaign and since, that he was going to end the war.

Mr. President, the President of the United States has performed on his promises in foreign policy. He has done what no other President has done, and that is to reverse the flow of American strength in Southeast Asia.

I must fashion a phrase to my own liking: On the basis of his performance, on the basis of his statements, on the basis of his covenants with the people of this country, and on the basis of the disengagement of American troops from Southeast Asia—even in the face of this naked aggression—I believe that the President of the United States richly undeserves to be disbelieved.

Mr. HARRY F. BYRD, JR. Mr. President, to me, the significant aspect of the President's speech last evening is that he is continuing his program to withdraw American troops from Vietnam. If the objective is to get Americans out of Vietnam—and I approve of that objective; I favor that objective—certainly President Nixon is making good progress.

He stated last night that by the end of this month, or the first day of May, the number of American troops will have been reduced to 69,000. He stated, further, that within 2 more months the number of American troops will be reduced an additional 20,000, which at that point would bring the American troop strength in Vietnam down to 49,000. That figure compares with what faced President Nixon when he took office a little more than 3 years ago. At that time, approximately 550,000 Americans were in Vietnam. By July 1, there will be less than 50,000, the figure the President used being 49,000.

So I say again that if the objective is to get Americans out of Vietnam—and I favor that objective—then certainly President Nixon is making good progress. If there are other objectives, perhaps he is not. But if the objective is to get Americans out of Vietnam, then the facts show, and the President's speech last night makes clear, that that objective is being achieved.

Mr. FULBRIGHT. Mr. President, I want to make it clear that no one is questioning the motives of the President. That is not the issue here. The issue is one of judgment: What are the proper means to achieve an end with which everyone agrees or at least, nearly everyone agrees with

The Senator from Virginia said that the objective of getting out has been achieved. That is exactly the factual issue at point, because within the past 3 weeks, there has been an increase of 30,000 personnel in the war theater—they have not been ground troops, but when he says "American men or soldiers" what he is really saying is foot soldiers or ground forces as distinguished from naval or air forces. There has been a large increase in air and naval forces. I grant that we know why—because of the invasion. I deeply regret that the North saw fit to invade. These are not the issues. They are extraneous to the point of what is to be gained in terms of the interest of the United States by pursuing this war. The war could go on endlessly, with each side blaming the other—the old game of tit for tat. It has been going on for 10 years now. So I only want to try to put this in perspective.

Perhaps President Nixon does know more than anyone else about what is happening in Vietnam. Suppose he does but he certainly does not know more than anyone else about what is happening in the United States, and he does not know any more than the housewives of America know about prices at the grocery store, and he does not know more than I know about the lack of funds to build water and sewer projects in Arkansas, or the schools, or the roads which the people are crying for. He does not know any more about that than I do.

The question comes down to one of priorities. Is the interest of my constituents more important than who happens to occupy the presidential chair in Saigon? I think it is not. I am convinced that the single issue which keeps the war going is the question of who should be the President of South Vietnam. This has been a matter, time after time after time, of discussion in public and private statements. Members of this body—not I—but some who have met with the representatives in Paris from North Vietnam, have all come back agreeing almost unanimously, that the one real issue is the character of the government itself in Vietnam. The North Vietnamese will not accept Thieu. He is the symbol of the very thing they are unwilling to accept. That is the only point I am trying to make.

The idea that we question President Nixon's intentions, or his truthfulness, is mistaken. We differ with him as a matter of judgment, as to the means of achieving an end to the war.

Mr. BROCK. Mr. President, I have listened with a sense of amazement as the chairman of the Committee on Foreign Relations spoke more like a chairman of the Committee on Interior and Insular Affairs. Some of the statements that have been made, that he has no apparent knowledge of or control over the actions of the North Vietnamese or the Russians, are incredible to me, as is his statement that he would support the President if he thought our 70,000 troops were endangered. What does it take to show someone that we have 70,000 men in jeopardy, when 12 divisions of North Vietnam leave their country and invade another country and our 70,000 men are there exposed, only 7,000 of whom are combat troops? What does it take to indicate that they face danger?

This administration is not conducting a policy of pursuit of war. It is conducting its policy in pursuit of peace. To say that that policy is the same as that of Lyndon Johnson is to say that east is west, night is day, right is wrong. The troops are not going that way. They are coming home. The whole concept of the policy has been changed.

The Senator has said that the crux of our policy is to preserve Thieu. Not so. Our own peace proposals suggested that Thieu would stand aside 30 days before an election and allow free elections, internationally supervised, so that all sides could participate fully. North Vietnam has a problem. They cannot win militarily, and they cannot win by legitimate political action. So what do they do? They have to depend upon us to abandon South Vietnam. They have to depend on American critics of the President to force a surrender.

The crux of the Nixon policy is not to preserve Thieu; it is to preserve the opportunity of those people to select their own man.

The crux of the NVA proposal is not a "coalition"; it is a Communist government. Their proposal requires that 33 percent of the government be Communists and that the other 67 percent be subject to a Communist veto. A coalition? No.

Yes, we can wash our hands like Pilate. But I, for one, am proud that I have a President who has the moral integrity and the pride in his country not to do that. I am proud we have a President who stands on the principles of this Nation, stands in defense of what he believes is right, regardless of the consequences for himself. I am proud we have a President who gages his action in the full knowledge of what it means to our children—that they can have, for once, a reasonable prospect of living in a world of understanding and peace. Yes, I am proud of the President, and I support him vigorously.

EXTENSION OF TIME FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. The additional time allotted for the transaction of routine morning business has expired.

Mr. BELLMON. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for an additional 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, I shall not object. The Senate is confronted with a very long day today. There are two bills scheduled that will require a considerable length of time, with several amendments on each, some of which will require rollcall votes.

I ask unanimous consent that the period for the transaction of routine morning business be extended, finally, for 9 additional minutes, with statements therein limited to 3 minutes at the conclusion of which the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BELLMON. Mr. President, how much time does the Senator from Oklahoma have remaining?

The PRESIDING OFFICER. Three minutes.

Mr. BELLMON. Mr. President, I am pleased with President Nixon's statement of last night. I feel that the report he gave to the Nation should be highly reassuring to those who are concerned that the attack of the North Vietnamese may somehow have extended the war and made it impossible for President Nixon to continue his policy of withdrawal.

I believe that President Nixon—who certainly knows more than any other per-

son in this country about what is happening over there—feels that in light of this attack he can continue this policy shows that the attack is failing and that the South Vietnamese are now, more than ever, able to provide for the defense of their own country.

I believe that this is the time for Americans to support their President, because certainly this invasion, in its basic sense, is a political invasion, because there is probably very little hope for a military victory on the part of the North Vietnamese. Rather, it is their intention to produce further division in our country and to produce the same effect in the United States, by this invasion, as Dien Bien Phu produced in France during the time the war was going on in the North.

It is obvious, then, that this hope of the North Vietnamese is failing; because President Nixon has now stated that our policy has not changed as a result of the invasion. The country stands, to a large extent, united behind our President, and this means that the North Vietnamese have failed.

I believe that the fact that the negotiations are beginning today in Paris shows that, perhaps more than ever, hope of some kind of negotiated settlement that will be satisfactory to the South and to our country is possible. But I would say to the Senate that if the negotiators for North Vietnam do not show good faith, if they use the negotiated procedure only as a propaganda device, this Nation should not continue to participate for any extended period of time.

I was happy that the President summed up both the record he has made on withdrawals and also to state in clear language what it is we are trying to accomplish in South Vietnam, when he said:

> We aren't trying to conquer North Vietnam or any other country. We want no territory. We seek no bases. We have offered the most generous peace terms—peace with honor for both sides—with South Vietnam and North Vietnam each respecting the other's independence.

Mr. President, I feel that this is the kind of role a great nation like ours must play in international affairs. I fail to see how those who oppose the President can differ with him on this objective, which he has stated so clearly.

The PRESIDING OFFICER (Mr. CHILES). The time of the Senator from Oklahoma has expired.

THE PRESIDENT'S VIETNAM SPEECH TO THE NATION

Mr. THURMOND. Mr. President, the address to the Nation last night by President Nixon should serve as a fresh ray of reassurance to the many Americans who want the Vietnam war brought to an honorable conclusion.

The President indicated clearly that the Vietnamization program is succeeding. It is succeeding to the point where 20,000 more GI's can be brought home from Southeast Asia. It is succeeding to the point where Gen. Creighton Abrams can predict that the South Vietnamese forces now have the ability to repel the Communist invaders from the North. It is succeeding to the point where the people of South Vietnam now have a realistic chance to live under a government of their own choosing, rather than under the dictates of a self-imposed Communist regime. It is succeeding to the point where other would-be Communist "liberators," in other trouble spots of the world, must now have serious second thoughts about duplicating the immoral aggressive acts of the Hanoi government.

All of these points, Mr. President, should say to us that the world can be a safer place if we support our Commander in Chief now.

The President's report last night reveals to us that the American troop level in Vietnam will be reduced to 49,000 men by July 1. This means that President Nixon has brought home over a half million American fighting men since he took office. This, he promised to do.

It means that the major burden of defending South Vietnam and preserving her independence has shifted from the United States to South Vietnam herself. This, he promised to do.

It means that the Government of North Vietnam will be forced to the negotiating table by denying them their goals on the battlefield. This he promised to do.

President Nixon has clearly served notice that the negotiations which are being resumed in Paris will not entertain further "propaganda and bombast" from the Communist delegation. Rather, he says we will insist that these talks "get on with the constructive business of making peace."

Such a determination on the part of our negotiators offers a very real hope that this long and costly war can be brought to a conclusion acceptable to the free world. It offers a real hope that prisoners of war will soon be exchanged; and it offers hope that those brave American men who have been confined, some for many years, will soon be reunited with their families.

Mr. President, these high hopes can become realities if this Congress and the people we represent show a solid wall of support behind our President and show it now. Let us close ranks and do away with the division which has, in my judgment, done more to encourage Hanoi to continue this war than any other single factor. Let us serve notice on the Hanoi regime that freedom in this world will prevail because free men are determined to remain free.

Mr. President, the cost for such unity is negligible when compared to the potential returns. Let us determine now that partisan and political interests will no longer be allowed to create hope in Hanoi that their policy of naked aggression will pay off. I repeat, the time for such a determination is now.

The issue in Vietnam is clear. More than 120,000 North Vietnamese troops are fighting in South Vietnam. As President Nixon told us, not one single soldier from South Vietnam is in the North. Twelve of Hanoi's 13 regular combat divisions have moved south of the DMZ, carrying aggressive warfare into the territory of their neighbors in the South.

The battles have become open and conventional with Hanoi's troops supported by armor, artillery, missiles, and rockets supplied by the Soviet Union. No longer can anyone claim that the action is a civil war or limited to insurgent guerrilla activity. President Nixon stated accurately that the only word for this unprovoked aggression across an international border is "invasion".

The President has assured us that this invasion will be met on the ground by South Vietnamese soldiers. No American ground troops will be involved. But, it is essential that these ARVN forces be supported by American air and naval operations. The President has rightly stated that these operations will continue as long as Hanoi's units remain in the South.

Mr. President, these next few weeks will be critical and decisive. The results can be what all free men hope if we support our President now. The cause of peace everywhere will be greatly enhanced if we stand behind our President who said:

> We will not be defeated; and we shall never surrender our friends to Communist aggression.

Mr. President, the address by President Nixon last night was a magnificent one. It has my full support. It is an address that should be studied carefully by everyone of us, and for that reason, I ask unanimous consent that this full text of his speech which appeared in the April 27 issue of the Washington Post of Washington, D.C., be printed in the RECORD.

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

NATIONAL ADDRESS BY PRESIDENT RICHARD M. NIXON, APRIL 26, 1972

During the past three weeks you have been reading and hearing about the massive invasion of South Vietnam by the Communist armies of North Vietnam.

Tonight, I want to give you a first hand report on the military situation in Vietnam, the decisions I have made with regard to the role of the United States forces in the conflict, and the efforts we are making to bring peace at the negotiating table.

Let me begin by briefly reviewing what the situation was when I took office, and what we have done since then to end American involvement in the war and to bring peace to the long-suffering people of Southeast Asia.

On January 20, 1969, the American troop ceiling in Vietnam was 549,000. Our casualties were running as high as 300 a week. Thirty thousand young Americans were being drafted every month.

95 PER CENT CUT

Today, 39 months later, through our program of Vietnamization—helping the South Vietnamese develop the capability of defending themselves—the number of Americans in Vietnam by May 1st will have been reduced to 69,000. Our casualties—even during the present, all-out enemy offensive—have been reduced by 95 per cent. Draft calls now average fewer than 5,000 men a month, and we expect to bring them to zero next year.

As I reported in my television address to the nation on Jan. 25, we have offered the most generous peace terms in both public and private negotiating sessions. Our most recent proposal provided for an immediate cease-fire; the exchange of all prisoners of war; the withdrawal of all forces within six months; and new elections in Vietnam, which would be internationally supervised,

with all political elements including the Communists participating in and helping to run the elections. One month before such elections, President Thieu and Vice President Huong would resign.

Hanoi's answer to this offer was a refusal even to discuss our proposals and, at the same time, a huge escalation of their military activities on the battlefield. Last October, the same month when we made this peace offer to Hanoi, our intelligence reports began to indicate that the enemy was building up for a major attack. Yet we deliberately refrained from responding militarily. Instead we patiently continued with the Paris talks, because we wanted to give the enemy every chance to reach a negotiated settlement at the bargaining table rather than to seek a military victory on the battlefield—a victory they cannot be allowed to win.

INVASION MOUNTED

Finally, three weeks ago, on Easter weekend, they mounted their massive invasion of South Vietnam. Three North Vietnamese divisions swept across the Demilitarized Zone into South Vietnam—in violation of the treaties they had signed in 1954 and in violation of the understanding they had reached with President Johnson in 1968, when he stopped the bombing in North Vietnam in return for arrangements which included their pledge not to violate the DMZ. Shortly after the invasion across the DMZ, another three North Vietnamese divisions invaded South Vietnam farther south. As the offensive progressed, the enemy indiscriminately shelled civilian population centers in clear violation of the 1968 bombing halt understanding.

The facts are clear. More than 120,000 North Vietnamese are now fighting in the South. There are no South Vietnamese troops anywhere in North Vietnam. Twelve of North Vietnam's 13 regular combat divisions have now left their own soil in order to carry aggressive war onto the territory of their neighbors. Whatever pretext there was for a civil war in South Vietnam has now been stripped away.

What we are witnessing here—what is being brutally inflicted upon the people of South Vietnam—is a clear case of naked and unprovoked aggression across an international border. The only word for it is invasion.

ATTACKS ORDERED

This massive attack has been resisted on the ground entirely by South Vietnamese forces and in one area by South Korean forces. No United States ground troops have been involved. None will be involved. To support this defensive effort by the South Vietnamese, I have ordered attacks on enemy military targets in both North and South Vietnam by the air and naval forces of the United States.

I have on my desk a report which I received this morning from Gen. Abrams. He gives the following evaluation of the situation:

1. The South Vietnamese are fighting courageously and well in their self-defense, and inflicting very heavy casualties on the invading force, which has not gained the easy victory some predicted for it three weeks ago.

2. Our air strikes have been essential in protecting our own remaining forces and in assisting the South Vietnamese in their efforts to protect their homes and their country from a Communist takeover.

3. Gen. Abrams predicts that there will be several more weeks of very hard fighting in which some battles will be lost and others will be won by the South Vietnamese. But his conclusion now is that, if we continue to provide air and sea support, the enemy will fail in its desperate gamble to impose a Communist regime on South Vietnam and that the South Vietnamese will then have demonstrated their ability to defend themselves on the ground against future enemy attacks.

Based on this realistic assessment from Gen. Abrams, and after consultation with President Thieu, Ambassador Bunker, Ambassador Porter, and my senior advisers in Washington, I have three decisions to announce tonight.

TROOP WITHDRAWALS

First, I have decided that Vietnamization has proved itself sufficiently that we can continue our program of withdrawing American forces without detriment to our over-all goal of ensuring South Vietnam's survival as an independent country. Consequently, I am announcing tonight that over the next two months 20,000 more Americans will be brought home from Vietnam. This decision has the full approval of President Thieu and of Gen. Abrams. It will bring our troop ceiling down to 49,000 by July 1—a reduction of half a million men since this administration came into office.

Secondly, I have directed Ambassador Porter to return to the negotiating table in Paris tomorrow, but with one very specific purpose in mind. We are not resuming the Paris talks simply in order to hear more empty propaganda and bombast from the North Vietnamese and Vietcong delegates, but to get on with the constructive business of making peace. We are resuming the Paris talks with the firm expectation that productive talks leading to rapid progress will follow through all available channels. As far as we are concerned, the first order of business will be to get the enemy to halt his invasion of South Vietnam, and to return the American prisoners of war.

Finally, I have ordered that our air and naval attacks on military installations in North Vietnam be continued until the North Vietnamese stop their offensive in South Vietnam.

I have flatly rejected the proposal that we stop the bombing of North Vietnam as a condition for returning to the negotiating table. They sold that package to the United States once before, in 1968, and we are not going to buy it again in 1972.

Look at the record. By July 1 we will have withdrawn over 90 percent of our forces that were in Vietnam in 1969. Before the enemy's invasion began, we had cut our air sorties in half. We have offered exceedingly generous terms for peace. The only thing that we have refused to do is to accede to the enemy's demand to overthrow the lawfully constituted government of South Vietnam and to impose a Communist dictatorship in its place.

WARNING CITED

As you will recall, I have warned on a number of occasions over the past three years that if the enemy responded to our efforts to bring peace by stepping up the war I would act to meet that attack, for three reasons: to protect our remaining American forces, to permit continuation of our withdrawal program, and to prevent the imposition of a Communist regime on the people of South Vietnam against their will, with the inevitable bloodbath that would follow for hundreds of thousands who have dared to oppose Communist aggression.

The air and naval strikes of recent weeks have been carried out to meet these objectives. They have been directed only against military targets supporting the invasion of the South. They will not stop until that invasion stops.

The Communists have failed in their efforts to win over the people of South Vietnam politically. General Abrams believes that they will fail in their efforts to conquer South Vietnam militarily. Their one remaining hope is to win in the Congress of the United States, and among the people of the United States, the victory they cannot win among the people of South Vietnam or on the battlefield in South Vietnam.

The great question then is how we, the American people, will respond to this final challenge.

Let us look at what the stakes are—not just for South Vietnam but for the United States and for the cause of peace in the world. If one country, armed with the most modern weapons by major powers can invade another nation and succeed in conquering it, other countries will be encouraged to do exactly the same thing—in the Mideast, in Europe, and in other international danger spots. If the Communists win militarily in Vietnam, the risk of war in other parts of the world would be enormously increased. If Communist aggression fails, it will discourage others to do the same thing.

We aren't trying to conquer North Vietnam or any other country. We want no territory. We seek no bases. We have offered the most generous peace terms—peace with honor for both sides—with South Vietnam and North Vietnam each respecting the other's independence.

NO SURRENDER

But we will not be defeated; and we shall never surrender our friends to Communist aggression.

We have come a long way in this conflict. The South Vietnamese have made great progress and are now bearing the brunt of the battle. We can now see the day when no more Americans will be involved there at all.

But as we come to the end of this long and difficult struggle, we must be steadfast. We must not falter. For all that we have risked and all that we have gained over the years now hangs in the balance during the coming weeks and months. If we now let down our friends, we shall surely be letting down ourselves and our future as well. If we now persist, future generations will thank America for her courage and her vision at this testing time.

That is why I say let us bring our men home from Vietnam. Let us end the war in Vietnam. But let us end it in such a way that the younger brothers and sons of the brave men who have fought in Vietnam will not have to fight again in some other Vietnam at some time in the future.

HEAVY OBLIGATION

Any man who sits here in this office feels a profound sense of obligation to future generations. No man who sits here has the right to take any action which would abdicate America's great tradition of world leadership.

Earlier this year, I traveled to Peking on an historic journey for peace. Next month I shall travel to Moscow on what I hope will also be a journey for peace. In the 18 countries I have visited as President I have found great respect for the office of President of the United States. I have reason to expect, based on Dr. Kissinger's report, that I shall find the same respect for the Presidency when I visit Moscow.

I do not know who will be in this office in the years ahead. But I do know that future Presidents will travel to nations abroad on journeys for peace as I have. If the United States betrays the millions of people who have relied on us in Vietnam, the President of the United States, whoever he is, will not deserve nor receive the respect which is essential if the United States is to continue to play the great role we are destined to play of helping to build a new structure of peace in the world. It would amount to a renunciation of our morality, an abdication of our leadership among nations, and an invitation for the mighty to prey upon the weak all around the world. It would be to deny peace the chance peace deserves to have. This we shall never do.

Let us therefore unite as a nation in a firm and wise policy of peace—not the peace of surrender, but peace with honor—not just

peace in our time, but peace for generations to come.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. CHILES). The Senator from Ohio is recognized.

(The remarks Mr. TAFT made at this point on the introduction of S. 3536 are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GAMBRELL) laid before the Senate the following letters, which were referred as indicated:

REPORT OF FINANCIAL CONDITION OF THE PENN CENTRAL TRANSPORTATION CO.

A letter from the Acting Secretary of Transportation, transmitting, pursuant to law, a report of the financial condition of that Company, as of April 26, 1972 (with an accompanying report); to the Committee on Commerce.

PROPOSED AMENDMENT OF HIGHWAY REVENUE ACT OF 1956, AS AMENDED

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Highway Revenue Act of 1956, as amended, and for other purposes (with accompanying papers); to the Committee on Finance.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a confidential report relating to repair on air-to-air missiles in the Department of the Navy (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improvements Needed in Training and Technical Assistance Services Provided to Antipoverty Agencies", Office of Economic Opportunity, dated April 26, 1972 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Opportunity to Improve Indian Education in Schools Operated by the Bureau of Indian Affairs", Department of the Interior, dated April 27, 1972 (with an accompanying report); to the Committee on Government Operations.

A letter from the Deputy Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Follow-up Review on Assistance to War Victims in Vietnam", Agency for International Development, Department of State, Department of Defense, dated March 27, 1972 (with an accompanying report); to the Committee on the Judiciary.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. GAMBRELL):

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION No. 1155

"A Concurrent Resolution relating to and ratifying the proposed amendment to the Constitution of the United States relative to equal rights for men and women

"Whereas, At the second session of the ninety-second congress of the United States of America, begun and held at the city of Washington on Tuesday, the eighteenth day of January, 1972, it was resolved by the Senate and House of Representatives in Congress assembled (two-thirds of each house concurring therein) that the following article be proposed as an amendment to the Constitution of the United States, which when ratified by the legislatures of three-fourths of the several states, shall be valid to all intents and purposes as a part of said Constitution, viz:

"'JOINT RESOLUTION

"'Proposing an amendment to the Constitution of the United States relative to equal rights for men and women.

"'*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*: That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"'ARTICLE ——

"'Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"'Sec. 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"'Sec. 3. The amendment shall take effect two years after the date of ratification.'

"Whereas, Said article will become valid as a part of the United States Constitution only if ratified by the legislatures of three-fourths of the several states within seven years from the date of its submission by the congress: Now, therefore,

"*Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein:* That the foregoing and above recited amendment to the Constitution of the United States be, and the same is, hereby ratified by said legislature of the state of Kansas as a part of, and amendment to, the constitution of the United States.

"*Be it further resolved:* That the governor of the state of Kansas forthwith forward to the Administrator of General Services, Washington, D.C., and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States authenticated copies of the foregoing resolution."

A resolution of the Senate of the State of Hawaii; to the Committee on Labor and Public Welfare:

"S. RES. No. 214

"Resolution relating to the agreement between the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association

"Whereas, the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association have reached agreement after a lengthy strike which lasted one hundred and thirty-four days; and

"Whereas, the gravity and urgency of reaching accord on this situation have taken much hard work and concerted effort on the part of many concerned individuals representing labor, management, the arbitrator, and the Federal Mediation and Conciliation Service; and

"Whereas, the agreement after much discussion was regarded with favor by the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association; and

"Whereas, the Pay Board has just slashed this agreement, the product of so much exertion by all concerned, by a substantial amount, a move that risks unnecessary confrontation between the International Longshoremen's and Warehousemen's Union, the Pacific Maritime Association, and the Federal Government; and

"Whereas, the International Longshoremen's and Warehousemen's Union, under the leadership of Harry Bridges, has cooperated with management to improve the companies and especially productivity; and

"Whereas, this increased productivity has led to higher profits for the corporations involved; and

"Whereas, the workers, who have not struck for many years, have not received their rightful share of the increased profits that resulted from increased productivity and were forced to strike to obtain benefits that should have been theirs; and

"Whereas, the agreement which was submitted to the Pay Board was recommended for approval by the staff of the Pay Board; and

"Whereas, the Pay Board itself, contrary to their staff's recommendation, has not approved the agreement in its entirety; and

"Whereas, the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association have both urged that the Pay Board approve the agreement to avoid further disruption of commerce; and

"Whereas, such action by the Pay Board against a small but important Union may create difficulty and hardship for our people; and

"Whereas, these members of the International Longshoremen's and Warehousemen's Union number only thirteen thousand one hundred workers; and

"Whereas, such action may be detrimental to a small and responsible Union such as the International Longshoremen's and Warehousemen's Union; and

"Whereas, such action may actually hurt efforts to build the American economy into a viable one that may provide a good life for all; now, therefore,

"Be it resolved by the Senate of the Sixth Legislature of the State of Hawaii, Regular Session of 1972, that the Pay Board be, and hereby is, respectfully requested to reconsider its action and approve the agreement between the International Longshoremen's and Warehousemen's Union and the Pacific Maritime Association; and

"Be it further resolved that certified copies of this resolution be transmitted to the President of the United States, the Speaker of the United States House of Representatives, the President and President Pro Tempore of the United States Senate, the members of the Pay Board, and the members of the Cost of Living Council."

By Mr. BENTSEN:

A concurrent resolution of the Legislature of the State of Texas; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION No. 1

"*Whereas,* The 92nd Congress of the United States, by a constitutional two-thirds vote in both Houses, adopted the following joint resolution proposing an amendment to the Constitution of the United States:

"JOINT RESOLUTION

"*Proposing an emendment to* the Constitution of the United States relative to equal rights for men and women.

"*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),* That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constituion when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE

"'*Section 1.* Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

"'Sec. 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

"'Sec. 3. This amendment shall take effect two years after the date of ratification.';

now, therefore, be it

"Resolved by the Legislature of the State of Texas, the Senate and House concurring:

Section 1. That the Legislature of the State of Texas hereby ratifies and adopts this proposed amendment to the Constitution of the United States.

"Sec. 2. That the Secretary of State of the State of Texas shall notify the Administrator of General Services of the United States and each Senator and Representative from Texas in the Congress of the United States of this action of the Legislature by forwarding to each of them a certified copy of this Concurrent Resolution."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. J. Res. 182. A joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in Farmfest-U.S.A. and the World Ploughing Contest in September 1972 (Rept. No. 92–760).

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S.J. Res. 213. Joint resolution to authorize and request the President to issue a proclamation designating October 6, 1972, as "National Coaches Day" (Rept. No. 92–761); and

H.J. Res. 1029. Joint resolution to authorize the President to issue a proclamation designating the month of May of 1972 as "National Arthritis Month" (Rept. No. 92–762).

By Mr. ELLENDER, from the Committee on Appropriations, with amendments:

H.R. 14582. An act making supplemental appropriations for the fiscal year ending June 30, 1972, and for other purposes (Rept. No. 92–763).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 431. A bill to amend the Internal Revenue Code of 1954 to modify the provisions relating to taxes on wagering to insure the constitutional rights of taxpayers, to facilitate the collection of such taxes, and for other purposes (Rept. No. 92–764); referred to the Committee on Finance; and

H.R. 11350. An act to increase the limit on dues for United States membership in the International Criminal Police Organization (Rept. No. 92–765); placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

Mrs. SMITH. Mr. President, from the Committee on Armed Services, I report the nomination of one officer for appointment to the grade of first lieutenant in the Marine Corps. I ask that this nomination be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination, ordered to be placed on the Executive Calendar is as follows:

William D. Rusinak, for appointment to the grade of first lieutenant in the Marine Corps.

Mrs. SMITH. Mr. President, in addition, I report favorably 1,431 promotions in the Army in the grade of lieutenant colonel and below. Since these names have already appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

Lael J. Abbott, and sundry other officers, for promotion in the Regular Army of the United States.

ENROLLED JOINT RESOLUTION PRESENTED

The Assistant Secretary of the Senate reported that on April 25, 1972, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 218) to extend the authority conferred by the Export Administration Act of 1969.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ALLEN:

S. 3535. A bill to provide for a two-week suspension of withholding of Federal income tax on wages. Referred to the Committee on Finance.

By Mr. TAFT:

S. 3536. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents. Referred to the Committee on Finance.

By Mr. HART (for himself, Mr. McGOVERN, Mr. CRANSTON, and Mr. CASE):

S. 3537. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966. Referred to the Committee on Agriculture and Forestry.

By Mr. BAYH (for himself, Mr. EAGLETON, Mr. McGEE, Mr. McGOVERN, Mr. PASTORE, Mr. MONDALE, Mr. RIBICOFF, and Mr. TUNNEY):

S. 3538. A bill to amend the Controlled Substances Act to require identification by manufacturer of each schedule II dosage unit produced; and

S. 3539. A bill to amend the Controlled Substances Act to move certain barbiturates from schedule III of such Act to schedule II. Referred to the Committee on the Judiciary.

By Mr. BELLMON:

S. 3540. A bill to permit national banks to invest in agricultural credit corporations. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPONG:

S. 3541. A bill to designate certain lands in the Shenandoah National Park, Virginia, as wilderness. Referred to the Committee on Interior and Insular Affairs.

By Mr. HANSEN:

S. 3542. A bill to amend section 311(d)(2)(A) of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

By Mr. ANDERSON (for himself and Mr. AIKEN):

S. 3543. A bill to amend the Atomic Energy Act of 1954, as amended, to authorize the Commission to issue temporary operating licenses for nuclear power reactors under certain circumstances, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. MAGNUSON (by request):

S. 3544. A bill to amend the Communications Act of 1934, as amended, with respect to commissioners and Commission employees; and

S. 3545. A bill to amend section 7 of the Fishermen's Protective Act of 1967. Referred to the Committee on Commerce.

By Mr. GURNEY:

S. 3546. A bill to designate the hospital being constructed in Tampa, Florida, as the "Melvin T. Dixon Veterans Hospital." Referred to the Committee on Veterans' Affairs.

By Mr. GURNEY (for himself and Mr. CHILES):

S. 3547. A bill to provide for orderly trade in fresh fruits and vegetables, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. PERCY:

S. 3548. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful. Referred to the Committee on Commerce.

By Mr. TOWER:

S. 3549. A bill to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve up to age sixty. Referred to the Committee on Armed Services.

By Mr. BENNETT:

S. 3550. A bill for the relief of Richard and Jodi Mahoney. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 3551. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses. Referred to the Committee on Commerce.

By Mr. FANNIN (for himself and Mr. GOLDWATER):

S. 3552. A bill to modify the project on the Little Colorado River for local flood protection at Holbrook, Ariz. Referred to the Committee on Public Works.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. GOLDWATER, Mr. CANNON, Mr. DOMINICK, Mr. BIBLE, and Mr. Moss):

S. 3553. A bill to amend the Taylor Grazing Act to increase the amount of certain revenue returned to the State. Referred to the Committee on Interior and Insular Affairs.

By Mr. MILLER:

S. 3554. A bill for the relief of Clarence McCarville and Emma McCarville. Referred to the Committee on the Judiciary.

By Mr. COOK (by request):

S. 3555. A bill to encourage and assist States and localities to coordinate their various programs and resources available for the prevention, treatment, and control of juvenile delinquency, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 3556. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel. Referred to the Committee on Labor and Public Welfare.

By Mr. TOWER:

S. 3557. A bill relating to the Federal Prison Industries and prison-made products. Referred to the Committee on the Judiciary.

By Mr. TUNNEY:

S. 3558. A bill to provide for increases in the readjustment allowances of Peace Corps volunteers and volunteer leaders, and to provide for the depositing of such allowances in savings accounts. Referred to the Committee on Foreign Relations.

By Mr. EASTLAND:

S. 3559. A bill for the relief of Jim Suk Park. Referred to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 3560. A bill to facilitate compliance with the treaty between the United States of America and the United Mexican States, signed November 23, 1970, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. SCHWEIKER (for himself, Mr. MONDALE, Mr. SCOTT, Mr. CASE, Mr. TALMADGE, Mr. BOGGS, Mr. HUGHES, Mrs. SMITH, and Mr. BURDICK):

S.J. Res. 225. A joint resolution to prevent abandonment of railroad lines. Referred to the Committee on Commerce.

By Mr. PERCY:

S.J. Res. 226. A joint resolution to authorize the President to designate the period from September 17, 1972, through September 23, 1972, as "National Bank Women's Week." Referred to the Committee on the Judiciary.

By Mr. GRIFFIN:

S.J. Res. 227. A joint resolution to authorize and request the President to issue a proclamation designating one day during each year as "National Registered Nurses Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLEN:

S. 3535. A bill to provide for a 2-week suspension of withholding of Federal income tax on wages. Referred to the Committee on Finance.

TWO-WEEK INCOME TAX WITHHOLDING MORATORIUM

Mr. ALLEN. Mr. President, I introduce, for appropriate reference, a bill designed to provide a practicable means of reimbursing certain taxpayers for overpayment of taxes resulting from erroneous and excessive rates of withholding from the paychecks of millions of employees for Federal income tax purposes during the 1972 calendar year.

Beginning in the early part of 1972, Alabama constituents began asking why more was being withheld from their paychecks for income tax purposes this year than last, despite the fact that their earnings and the number of exemptions were the same as last year. We know that the standard deduction had been increased for the taxable year 1972 from 13 to 15 percent with a maximum of $2,000 and that the value of individual exemptions had been increased over 1971 from $675 to $750. Logically, the tax liability should have been less and the amount withheld from paychecks should have been less.

However, Congress, in the Revenue Act Amendments of 1971, had provided for a set of withholding tables which required employers to deduct more from wages and salaries than was necessary to pay the income tax liability for the calendar year 1972. As a result, it has been estimated that unless the present rate of withholding is adjusted, employee earnings in a total amount of some 5 or 6 billion dollars or more in excess of tax liability will be collected in the course of the 1972 calendar year. In considering whether adjustments should be made, the following factors might be considered:

First, the national debt picture and the size of the deficit for the fiscal year ending June 30, 1972 will be distorted by reflecting an excess of revenues from tax receipts in excess of the liability of the taxpayers.

Second, these billions of dollars taken from the pockets of the taxpayers have had a decidedly adverse effect on the economy, particularly in the area of retail trade. An influx into the private sector of reimbursed dollars through higher pay checks cannot but stimulate the economy.

Third, it is grossly unfair to wage earners to be compelled to continue to pay out dollars from their earnings month after month which in effect constitute interest-free loans to the U.S. Government.

Fourth, it is important that the taxpayers have confidence in our legislative system. This confidence can be restored by demonstrating a willingness on the part of Congress to correct an admitted mistake.

Mr. President, the bill I am introducing will make a necessary correction in a prompt and efficient manner to serve until such time as the withholding tables are adjusted by statute. The administration has offered a solution, but it has not worked and there is no reasonable expectation that it will work. I have reference to the administration's suggestion that employees file a form with their employers claiming additional exemptions as a means of reducing the excessive amount of tax now being withheld.

I submit that the solution offered in the bill being offered today is preferable. In essence, it would require a moratorium on withholding from earnings over a period of 2 weeks beginning on the Monday first occurring more than 30 days after the date of enactment of the bill.

The effect of such a moratorium would be that all overpayments would be reimbursed to the employee through higher take-home pay for 2 weeks, and the employee would be prepaid a portion of the anticipated excess in withholding based on current withholding tables for the balance of the calendar year. In this connection, the administration has permitted prepayment of national service life insurance dividends this year prior to the anniversary date, and there is no difference in principle in permitting employees an immediate settlement of a subsequent claim for tax refunds which claims arise from withholding in excess of tax liability. After all, the Treasury has been using the funds represented by excess withholding without the payment of interest. Why should not employees be given a break by way of reimbursement this year of overpayments resulting from error by the Government?

Mr. President, let me point out that the moratorium on withholding of income tax from paychecks will result in taxpayers receiving an estimated $3.2 billion extra in take-home pay during such 2-week period. Since it is estimated that at least $5 or $6 billion will be withheld during the year in excess withholding under present withholding tables, the moratorium would still leave most taxpayers a substantial cushion of overpayment of 1972 income tax liability.

Let me illustrate in dollars and cents what a moratorium on withholding would mean for individuals in three income categories. For this purpose, we will use tables applying to persons claiming only one exemption and persons claiming three exemptions. During the 2 weeks moratorium period, the increase in paychecks would total the amounts as indicated:

Total reimbursement

Weekly gross incomes	$100.00	$150.00	$200.00
Man, wife and 1 child	14.40	31.20	47.20
Single person	26.80	49.00	70.00

Mr. President, one may reasonably ask what would be the effect on those who had already filed with their employers a W–4 form claiming extra exemptions or those who for any other reason preferred not to be reimbursed for taxes withheld in excess of liability. Under provisions of the proposed legislation, such an employee could simply notify his employer of his wishes, and the employer would continue to withhold at the current rate. Administratively, there would be as little or perhaps less bookkeeping involved for the employer to not withhold from earnings during a 2-week period than if the employer had to continuously adjust his books to reflect the amount of withholding for separate employees who might file for extra exemptions.

Mr. President, the taxpayers have been victimized by an error on the part of the Federal Government. They are entitled to reimbursement, and they are entitled to it at the earliest possible moment. Needless to say, the economy would respond to this extra shot in the arm represented by the increased paychecks and increased spending over a 2-week period.

Mr. President, we hear much talk today about tax reforms, and some of the suggestions have considerable merit. This bill offers an immediate opportunity not for tax reform as such but for correction of a previous mistake. Those Senators now campaigning across the country for the office of President are promising tax reforms. I have no doubt that their promises imply a willingness to correct tax withholding errors on the part of the Government.

Mr. President, in view of the fact that the bill is quite brief, I ask unanimous consent that it be printed at this place in the RECORD and that several news items which illustrate various aspects of the problem be printed in the RECORD.

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

S. 3535

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of chapter 24 of the Internal Revenue Code of 1954 (relating to collection of income tax at source on wages), no employer shall deduct or withhold any amount of Federal income tax from that part of the wages of any employee paid for services performed during the 14-day period beginning on the Monday first occurring

more than 30 days after the date of enactment of this Act.

(b) Nothing contained in this Act shall affect the liability of any individual for taxes imposed under chapter 1 of the Internal Revenue Code of 1954 or the amount of taxes for which he is liable under that chapter. No employer shall be liable for any amount of tax not deducted or withheld from the wages of an employee on account of subsection (a).

(c) As used in this Act, the terms "employer", "wages", and "employee" mean employer, wages, and employee as defined in section 3401 of the Internal Revenue Code of 1954.

(d) This Act shall not apply with respect to wages paid to any employee who notifies his employer, in such form and at such time as the Secretary of the Treasury or his delegate may prescribe, that he does not wish to have a suspension of withholding of Federal income tax from his wages.

(e) The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

[From the Washington Post, April 13, 1972]

THE BIG TAX BLUNDER

(By Hobart Rowen)

This is the story of a $5 billion to $6 billion tax blunder made by the federal government, and being paid for by individuals whose income depends largely on a single wage or salary.

It may, in fact, turn out to be not only one of the most bizarre financial goofs of all time, but one which adds to the taxpayers' sense of being fed up with the bureaucracy.

Incredible as it sounds considering the array of available computers and technicians, the Internal Revenue Service and related committees on Capitol Hill established schedules for taking taxes out of pay envelopes this year that will result in overwithholding at least $5 billion to $6 billion more than the tax law requires.

The saga starts with the fact that in 1971, the opposite mistake was made: the withholding schedules resulted in "under-withholding" for millions of taxpayers, who then discovered they still owed Uncle Sam a big bundle when making out their final tax payment for April 17 this year.

Most who found themselves in this situation are families where both spouses had jobs, or where the husband or wife had two jobs. They were "under-withheld" because the tax law last year for the first time provided a more generous minimum standard deduction which was reflected in withholding rates. But where there were two jobs in the family, the withholding table was allowing credit for that deduction in both cases.

So the administration and Congress set about to correct this situation. But when they arranged higher withholding rates for this calendar year to more closely match the real tax obligations of the two-job family or the "moonlighter," they automatically set them too high for the man or woman with a single job.

Insiders knew that the pendulum would swing from under-withholding to over-withholding. The rationale was that those who would be over-withheld by the new schedules could easily file a W–4 form with their employers, claiming additional exemptions that would reduce their weekly tax bite.

But as top officials now concede, taxpayers (possibly because they were conscious that underwithholding had been the problem the year before) did not rush to file W–4s in the anticipated numbers.

Nixon administration officials foresaw that over-withholding would complicate their lives in a year when the economy would need all the stimulation it could get to promote recovery. In testimony last year, Treasury and IRS officials urged that a House Ways and Means Committee proposal, which was designed to correct the under-withholding in two stages, be adopted to soften the blow. But the Senate Finance Committee got its way in conference, putting higher withholding rates into effect at once for wages paid after January 15, 1972.

The impact of the new rates has been dramatic. For the first quarter of the year, the Treasury raked in $2 billion more than it had expected. That's an $8 billion annual rate. A top Nixon aide told The Washington Post that making allowance for a hoped-for influx of W–4 forms, the withholding excess for the year might not be more than $5 billion to $6 billion.

But even that much represents a massive miscalculation. It is little wonder, then, that the results in Democratic primaries in Florida, Wisconsin and elsewhere shows widespread voter dissatisfaction with the tax burden. It is not only oppressive, but a far cry from the reduced tax outlook that President Nixon had touted in his Budget Message and State of the Union address in January as "a return of power to the people."

Anything like $5 billion or $6 billion taken out of the consumer spending stream, even acknowledging that the taxpayers eventually will get the money back, dampens the hopes for recovery.

On the other hand, as Wall Street economist Sam Nakagama points out, the same miscalculation which brings in more money to the Treasury (helping reduce the federal deficit this year to less than $30 billion instead of the projected $38.8 billion) also reduces the pressure on the money markets and leads to lower interest rates.

What an ironic twist! Granting that it's tough to set withholding rates that cover the whole complexity of tax liability situations, the fact that the IRS and two technicians' groups on Capitol Hill are establishing the economic policy-mix for the whole government should lift more than eyebrows around this town.

[From Business, March 18, 1972]

WITHHOLDING PUTS A HOLD ON SPENDING

Administration economists are afraid that the new income tax withholding schedules are unnecessarily siphoning $4-billion or more from consumer pocketbooks. They wonder, in fact, if the withholding rates that took effect in January are not partly to blame for lagging retail sales and the prospect that first-quarter gains in gross national product may not be on target.

The rates were increased up and down the line to cover underwithholding for working couples and individuals holding two jobs and to bring withholding generally into line with tax liability. Now an employee with a "normal" situation—without a working spouse or a second job—must act to prevent having too much tax taken out of his paycheck.

The Council of Economic Advisers has raised questions about the change with the Treasury Dept. Treasury officials, in turn, have leaned on the Internal Revenue Service, and the IRS is stepping up efforts to show taxpayers how to bring withholding and actual tax liability back into line.

One Treasury analyst notes: "Nothing like the number of people we expected to change their withholding have changed. Now we are getting systematic overwithholding." Exactly how much of this is going on, nobody knows, but the $4-billion figure is commonly used. A "wild, outside figure" is $10-billion, which could be reached only if no one adjusted his withholding, Treasury says.

CEA'S GRIPE

Even if it turns out to be $4-billion, that is several hundred million more than all the personal income tax cuts included in the Revenue Act of 1971. And the Administration was counting on that to provide a major boost to the economy, especially to consumer spending.

The CEA hardly favors the forced savings represented by overwithholding, since the consumers were socking away a healthy chunk of their incomes anyway; the savings rate was an abnormally high 7.8% of disposable personal income in the fourth quarter of 1971. The Administration's forecast of a $100-billion GNP advance for the year does not hinge on a drop in the savings rate, but it certainly requires sharp gains in personal consumption spending. Says a Treasury forecaster: "If we don't get the consumption, we just can't make it."

The disappointingly flat retail sales reported for the first two months of the year cast some doubt on "making it," at least in the first quarter. The advance estimate of February's retail sales of $34.9-billion, seasonally adjusted, is slightly lower than January's $35-billion or last September's $35.2-billion. With personal income setting new highs, as opposed to after-tax disposable income, some analysts are blaming overwithholding.

ALTERNATIVES

No withholding scheme could be devised to cover every situation automatically. IRS officials claim they examined "many, many alternatives," and that the one chosen was the best. Specific withholding tables for working couples were rejected as a burden on employers and as a potential target for Women's Lib. To reflect reality, says one technician, such a table would have to allow for the fact that a husband's salary is usually about three times that of his wife's.

The tax code, which formerly made it illegal to claim more exemptions for withholding purposes than the taxpayer would be entitled to on his return, now provides for an additional "standard deduction allowance" equal to one exemption. And if the taxpayer has itemized deductions, he can claim still more withholding allowances.

The changes, however, are tricky for taxpayers who are already confused by tax forms, and who rely on automatic withholding to keep payments and liabilities in line. Under the law, employers were to inform employees of the various changes. But many did not, as a recent IRS check of major employers revealed. Even at IRS, fewer than 20% of the employees adjusted their withholding.

So now the IRS is launching a new effort to get employers to persuade employees to claim the added deductions. Trouble is, there is no way for the IRS to keep a running check on how many employers have adjusted their withholding. Even quarterly returns filed by employees do not link the amount withheld from an employee to his total tax liability. As one Treasury official admits, "We just don't know much about how it is going at the moment."

[From the New York Times, April 2, 1972]

HOW U.S. WITHHELD TOO MUCH INCOME TAX

(By Eileen Shanahan)

WASHINGTON.—Some things get done badly because they are genuinely hard to do well, and some get done badly because nobody tried hard enough to do them well.

Both of these contributed to the problem that taxpayers, the Administration and the economy now face over defects in the income-tax withholding system. While there is blame enough to go around, it is also clear that the Nixon Administration had what the liability lawyers call the "last clear chance" to ameliorate the problem and failed to do so.

Those with strongly partisan leanings may be forgiven a smile. Those who wish, regardless of partisanship, that the economy were recovering faster, may be forgiven some annoyance with the Treasury, the Internal Revenue Service and the White House.

The problem in this complicated story dates back to the 1969 Tax Reform Act.

Among the many provisions of the act, was an especially large standard deduction for low-income families that came to be known as the "low-income allowance" or the "minimum standard deduction." Anyone not familiar with the mechanics of the tax system might not understand how adoption of the low-income allowance could create a series of problems in adjusting the withholding-tax tables, but it did, particularly for 1971, when the allowance was fully in effect. The problem was not recognized as Congress hurried to finish the bill before Christmas.

Those who suffered fell into two groups—low-income families in which more than one person worked, and above-middle income families of all kinds, especially those in which more than one person worked. Both had too little tax withheld. The problem for low-income families was acute; those with pitifully small incomes, at and below the poverty level, would have been faced with ruinous tax bills of several hundred dollars on April 15 of this year.

The problem was recognized as early as February of last year, but beyond having Internal Revenue put out a press release warning that two-worker families, especially those at the bottom and those at the top, were being drastically underwithheld, nothing was done.

Even when the Administration decided, in midsummer 1971 to ask Congress to enact some tax reductions, partly for individuals but mainly for business, to help stimulate the economy, it made no move to correct the underwithholding problem. In fact, the Treasury fought the idea when members of the Ways and Means Committee suggested it, or the ground (undisputed) that increasing the withholding of those who were being underwithheld would tend to offset the stimulating effects in the economy of the tax reductions the Administration wanted.

In the end, Congress overrode the Administration's objections and changed both the withholding and the 1971 tax liabilities to bail out the poor people. It also fixed the withholding rates at the top, to ameliorate the problem for the type of constituents who write their Congressmen and complain.

But the new withholding tables, for a variety of reasons, planned and unplanned, overcorrected the underwithholding problem for most families with only one worker and for single people—corrected it to the point of drastic overwithholding.

The Administration has been aware of the new problem for several months but, once again, stirred itself only to the point of having Internal Revenue issue a couple of press releases, urging people to put in for extra tax exemptions if they were needed to make the withholding come out right.

Only when it began to appear, within the last few weeks, that the degree of overwithholding was so great that it might really dampen consumer spending to the point of threatening the economic recovery did officials start planning TV spots and letters to every taxpayer warning of the withholding.

[From the Washington Post, March 18, 1972]

NEW WITHHOLDING RULES SEEN HURTING ECONOMY

(By William H. Jones)

A top government economist lamented yesterday the fact that most Americans aren't yet aware of new withholding tax regulations that could increase their weekly take-home pay.

Harold C. Passer, Assistant Secretary of Commerce for Economic Affairs, told an audience at the University of Maryland that overwithholding of income taxes has become a major factor in sluggish retail sales since December—the one sector of the economy demonstrating any significant weakness, he asserted.

The net effect of the Revenue Act of 1971, passed late in the year, has been to blunt the impact of income tax reductions that became effective Jan. 1, Passer said, and consumer sales have remained flat.

The new legislation was designed to eliminate under-withholding experienced by many taxpayers, in 1971. As the law was changed to increase withholding rates, however, Congress also established a new "special withholding allowance."

The purpose, Passer said, was to permit individual taxpayers—on their own initiative—to reduce their withholdings if they had extensive normal deductions.

Various kinds of allowances in the withholding system permit taxpayers to tailor deductions for income tax to match the actual tax. For instance, according to the Internal Revenue Service, a person buying a house has large tax and mortgage interest payments to deduct, and can claim one or two additional exemptions in his W–4 form, over the total number of persons he supports.

"Look at your W–4 and tell your friends to look at theirs," Passer exhorted the audience of more than 300 business and government leaders from Maryland, including Comptroller Louis L. Goldstein. "Read the instructions on the back and perform do-it-yourself surgery on your withholding."

The voluntary over-withholding now prevalent, he concluded, "is like making zero interest loans, which is rich."

Passer said a second major factor holding down retail sales activity has been unseasonable warm weather in the Northeastern U.S., where a fourth of the people live. Temperatures have been above normal and precipitation below normal, he said, resulting in sharply reduced sales of such items as overcoats, snow tires, boots, ski equipment, snowmobiles, and fuel oil.

Retail food stores sales are also down on a per capita basis, he said, perhaps hinting a rebellion by housewives in the face of rising prices.

Elsewhere in his address to the annual outlook conference sponsored by the university's college of business and public administration and Surburban Trust Co., Passer detailed a generally optimistic economic picture for 1972, with the Nixon administration achieving all its goals.

Calling himself the "Cheerful Charlie of Economics," Passer said it is necessary to call attention to good economic news "because such an extra effort is needed to balance the perennial pessimism of some punditis in the press"—a minority of economic reporters.

The sluggish retail sales, he said, have been balanced so far by higher than anticipated residential construction and capital spending.

Asked later about rising short-term interest rates, Passer said they had fallen "abnormally low" and that as business expansion picks up—he stuck by the administration forecast of 6 per cent real growth in 1972—some interest rates will move even higher with more money market demand.

By Mr. TAFT:

S. 3536. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the individual income tax for tuition paid for the elementary or secondary education of dependents. Referred to the Committee on Finance.

Mr. TAFT. Mr. President, I want to express my deep concern about the crisis condition in education facing all Ohio citizens and, indeed, the entire Nation, as a result of the April 17 Federal court ruling in the Wolman case declaring the Ohio nonpublic parental grant law unconstitutional. The Supreme Court's rulings in the Lemon and Brusca cases also bear on the problem nationally. Even these cases, however, and especially the Wolman case, in my opinion, do not preclude the constitutionality of an individual income tax credit for all or part of the payments for private school tuition of parents who have children in nonpublic schools. It appears to be the only route left to provide early and vital help both to private, nonpublic and public schools as well.

The collapse of Ohio's nonpublic school system would have a tragic impact on all Ohio education. The same picture is reflected nationally.

I share President Nixon's position in believing that Ohio and our Nation has been and must continue to be best served by a viable public and a viable nonpublic school system. Each system clearly complements the other toward the goal of availability of excellence in education for all our citizens. I also concur with the President's commitment to find constitutional means to assure the survival of nonpublic schools throughout the Nation, with appropriate safeguards assuring access to both systems for all citizens.

I am, therefore, carrying my concerns into immediate action as follows:

First, by introduction of individual income tax credit legislation in the Senate, aimed at the earliest possible relief to this crisis. This should be acted on in this session. It should include effective provisions requiring qualifying private schools to be open to all without racial discrimination. I believe that I have worked out, in the drafting of this legislation, safeguards that will assure this.

Second, by a pledge to work for an educational plank in the 1972 Republican Convention platform which assures meaningful educational legislation and equitable inclusion of public and nonpublic school children, in such legislation.

Third, by continuing my support to the President in implementing his views and programs in this area, including important recommendations of his commission and panel on nonpublic education.

Fourth, I have drafted and have ready for introduction a constitutional amendment specifically authorizing such a tax credit as I have proposed, and in the long run this may be the way to resolve the matter. However, I shall not introduce it at this time because I wish to cast no cloud on my complete conviction that the statutory approach is constitutional.

As pointed out by the final report of the President's Panel on Nonpublic Education, 10 percent of total enrollment, or over 5 million students are attending private schools. In Ohio this includes almost 340,000. Ohio was included in the commission's statement that:

> The prospect of massive dislocations exists in eight of the Nation's most populous states.

This led the panel to its recommendation of tax credits of the type proposed in my legislation.

Based on the estimates of the panel I mentioned in Ohio, one-third of the parochial students would leave the nonpublic schools and come to the public schools. It would cost in the neighbor-

hood of $112 million as one-third of the total of 340,000 students in private schools would shift over to the public school system.

A failure to face this need and enact credits of this type mean a crisis of major proportions in both public and private education in this country, with an almost certain deterioration in quality of education occurring especially in areas that are already in need of enormous improvement.

As pointed out by the President's Commission, individual income tax credits could provide much needed help by promoting investment in nonpublic education, by eliciting public support, and by having a good psychological effect on nonpublic school parents.

The cost estimated for the credit would be $500 million, a modest one if it achieves the purposes desired, and this bill is drafted to accomplish those objectives.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point in my remarks.

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

S. 3536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by redesignating section 42 as section 43, and by inserting after section 41 the following new section:

"SEC. 42. TUITION PAID FOR ELEMENTARY OR SECONDARY EDUCATION.

"(a) GENERAL RULE.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount determined under subsection (b), for tuition paid by him to any qualified private nonprofit elementary or secondary school during the taxable year for the elementary or secondary education of any dependent with respect to whom the taxpayer is allowed an exemption for the taxable year under section 151(e).

"(b) LIMITATIONS.—

"(1) AMOUNT PER DEPENDENT.—The amount allowable under subsection (a) for the taxable year with respect to any dependent shall not exceed the lesser of—

"(A) 50 percent of the tuition paid by the taxpayer during the taxable year for the elementary or secondary education of such dependent, or

"(B) $400.

"(2) REDUCTION OF CREDIT. The aggregate amount which would (but for this paragraph) be allowable under subsection (a) shall be reduced by an amount equal to $1 for each full $20 contained in the amount by which the adjusted gross income of the taxpayer (or, if the taxpayer is married, the adjusted gross income of the taxpayer and his spouse), for the taxable year exceeds $25,000. For purposes of this paragraph, marital status shall be determined under section 143.

"(c) DEFINITIONS AND SPECIAL RULES.—FOR purposes of this section—

"(1) TUITION.—The term 'tuition' means any amount required for the enrollment or attendance of a student at a qualified private nonprofit elementary or secondary school. Such term does not include any amount paid directly or indirectly for meals, lodging, transportation, extracurricular activities, non-secular educational activities, supplies, equipment, clothing, or personal or family expenses. If the amount paid for tuition includes any amount (not separately stated) for an item described in the preceding sentence, the portion of the amount paid for tuition which is attributable to such item shall be determined under regulations prescribed by the Secretary or his delegate.

"(2) QUALIFIED PRIVATE NONPROFIT ELEMENTARY OR SECONDARY SCHOOL.—The term 'qualified private nonprofit elementary or secondary school' means a nonpublic educational institution (as defined in section 151(e)(4)) which—

"(A) regularly offers education at any grade from grade one through twelve (inclusive) which education is substantially equivalent to the public education available in the appropriate local school district;

(B) is accredited by the State; and

"(C) does not discriminate, through its tuition or scholarship policies, or otherwise, in the admission of students, in the hiring of personnel, or in any other activity, on the basis of race, color, creed, or national origin.

"(3) ELEMENTARY OR SECONDARY EDUCATION.—The term 'elementary or secondary education' does not include education at a level beyond the 12th grade.

"(d) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) to the taxpayer shall not exceed the amount of tax imposed on the taxpayer for the taxable year by this chapter, reduced by the sum of credits allowable under this subchapter (other than under this section and sections 31 and 39).

"(e) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section."

(b) The table of sections for such subpart A is amended by striking out the item relating to section 42 and inserting in lieu thereof the following:

"SEC. 42. Tuition paid for elementary or secondary education.

"SEC. 43. Overpayment of tax."

SEC. 2. The amendments made by this Act shall apply to taxable years beginning after December 31, 1971.

By Mr. HART (for himself, Mr. MCGOVERN, Mr. CRANSTON, and Mr. CASE):

S. 3537. A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966. Referred to the Committee on Agriculture and Forestry.

COMPREHENSIVE SCHOOL LUNCH-SCHOOL BREAKFAST REFORM

Mr. HART. Mr. President, I introduce a comprehensive school lunch-school breakfast reform bill. Joining me in this effort are Senators MCGOVERN, CRANSTON and CASE.

This legislation represents a broad consensus for change in these programs. A product of hearings by the Senate Select Committee on Nutrition and Human Needs, the recommendations were formulated by a large number of individuals and groups, including the Food Research and Action Center of New York, the National Council on Hunger and Malnutrition, the Community Nutrition Institute, the Children's Foundation and many State school lunch directors. It comes to the Congress not as the bill of any special interest, not as the bill supported by only one segment of the interested public.

Its benefits are aimed at only one group: the children of America. I truly believe, Mr. President, that this bill is the children's school lunch bill.

This bill will go a long way toward eliminating many of the difficulties that have plagued these programs in the last several years. This bill will make structural changes necessary if these programs are to help us realize our pledge to eliminate hunger and malnutrition from our Nation's classrooms.

The bill will establish a minimum national reimbursement rate of 10 cents a meal for all lunches, 35 cents for reduced price meals and 45 cents for free meals. The experience of the last several years has taught us that such a minimum reimbursement structure is essential if the States and localities are to have the confidence in reimbursement payments necessary for them to go forward to reach every needy child with a free or reduced-price meal.

Indeed, many of us will recall the difficulties we faced last fall on this matter, when, in an across-the-board nonselective attempt to save money, the Department cut back reimbursement rates from the previous spring. Congress responded by passing Public Law 92–153 setting the rates at 6 cents for each lunch and 40 cents for each free and reduced-price meal. Our legislation will assure the States that henceforth they need not worry about having their Federal reimbursement cut from under their expanding programs and will make it unnecessary for the Congress to deal with this program every August. The rate we propose is fair and reasonable.

For the first time it differentiates between the reduced price and free lunch—the reason: when lumped together, the overwhelming tendency by school officials is to charge a reduced price even to those who need a free meal so that the dollar stretches. The end result often is to eliminate the neediest of our poor children.

The bill also provides for including the cost of supervision, handling, and preparing the food. This provision is in response to the calls for help from many State school lunch directors who fall short of funds because of labor costs: the end result, of course, is once again to cut out the needy children who are not reached by the Federal reimbursement.

A significant feature of the bill is the provision directing advance funding to the States based on the previous year's cumulative expenditures. This will allow for proper and orderly planning by State officials, an element conspicuously absent from the present operation of the program. This change will enable each program to get off to a good start at the beginning of the school year and will eliminate question marks in local officials' minds as to the availability of Federal funds. They need no longer hesitate to make a vigorous outreach effort to serve each needy child.

The bill will eliminate the 3-to-1 matching formula, which offered a financial incentive to require payments from needy children who—in most cases—did not have the money to pay. It retains the requirement that State revenues, as opposed to children's payments, constitute a percentage of program funds.

For the first time, we are setting a truly adequate nutritional standard for both lunches and breakfasts: each meal will be required to meet the one-third recommended dietary allowances for specific age groups—elementary and secondary levels—in order to receive the Federal reimbursement. Such a provision, Mr. President, is essential if the meal is to have any certain value to these children.

This bill will require that the national minimum eligibility standards established by Public Law 91–248 be announced no later than May 15 preceding the opening of school. This is another essential provision to assure State and local people, on whom this program so greatly depends, of support for making intensive outreach efforts prior to the start of the school year. Its necessity, again, has been demonstrated to us: last year, just weeks before schools were to open, the Department sought to cut back the eligibility levels that exceeded the national minimum and that had been approved by USDA in their State plans of operations the previous spring. This move caused nothing short of chaos in the States, and Congress was, again, called on to respond, which it did by amending Senate Joint Resolution 157—Public Law 92–153—before it reached the floor for a vote.

The bill we introduce today makes very clear the intent of Congress when it passed Public Law 91–248: the eligibility standard is a floor, not a ceiling, and the State and local authorities are free to adjust it upward as they see fit, when cost of living variations, peculiar economic conditions or the like so require. This is no change in the current law: it simply puts this intent in more explicit terms, so that an action by the Department similar to that of last fall may never again be allowed to impede the progress of this program.

The authorizations are open ended, except that section 13, the preschool and summer lunch programs, is authorized to use $125 million for fiscal year 1973. Rapidly expanding needs in day care and summer feeding programs will require substantially increased funding for the coming year. Section 13 programs could easily have utilized twice their current spending levels of $49 million for fiscal year 1972; instead, a freeze has been imposed on section 13 funding throughout this fiscal year.

The final change in the lunch program is an amendment that adds six persons to the advisory committee that is to overview this program; a supervisor of a multiunit school lunch program; three parents, two of whom have children receiving free or reduced price meals; and, two children, one of whom is receiving a free or reduced price meal.

The breakfast program will get a great boost with this legislation; some of the changes were mentioned above. Principally, we intend to raise this program from the second-class status it currently occupies, to make it a permanent member of the child nutrition effort. We accomplish this by providing open-ended authorizations for the fiscal years after 1972, by providing a fair and totally realistic reimbursement rate of 30 cents per meal—as opposed to the current average of 15 cents—and by allowing "needy" schools to be reimbursed for 100 percent of the cost of breakfasts served. A major change is allowing the program in any school that requests one, and not limiting it to "needy" schools. Children not schools, are needy. The poor child should not be denied a meal because of the economic status of his classmates. I recently chaired a hearing of the Senate Select Committee on Nutrition and Human Needs where it was shown that with an adequate reimbursement rate system over 20,000 schools—more than 20 times the number now participating—would utilize the school breakfast program.

We are coming to realize the vital importance of breakfast to the health, attitudes and physical wellbeing of our children. A nutritious morning meal is an essential prerequisite to learning ability, energy capacity and attention span.

A useful efficiency measure in this bill provides that any child eligible for a free or reduced price lunch shall automatically be eligible for a free breakfast. This will eliminate any two-step application process and avoid the possibility of inconsistent eligibility standards. The reduced price category is eliminated, as we feel it creates an unnecessary administrative nightmare, is not financially rewarding and amounts, in reality, to hairsplitting among truly needy children.

As in the lunch program, simplified certification of eligibility by affidavit is provided for and notification of program availability is required.

Crucial to both the breakfast and lunch programs, as I mentioned before, is the inclusion of schools in the program that presently lack facilities. In the Child Nutrition Act amendments we authorize $80 million for the next 3 fiscal years and $40 million for each succeeding year for this purpose. These amounts are necessary, because although Congress in the past has authorized amounts of $38 million and $33 million, USDA has never requested more than $16 million and, in 2 years has succeeded in bringing no more than 5,000 new schools into the programs.

These are the major changes in the law that will be accomplished by this bill. I urged my colleagues on both sides of the aisle to give careful consideration to these changes and to support them.

Two years ago, when we passed Public Law 91–248, we pledged to end hunger in our Nation's classrooms. We have met major roadblocks in that effort. No one is to blame and this should not be an issue that divides us ideologically or by party lines. We are talking about hungry children and an effort to help them receive a better diet.

The reforms proposed in this bill can help us move toward that goal. One does not have to agree with every section of this bill in order to prove his commitment to the promise to end hunger in America. All I do ask is that as we consider the many reforms proposed, we keep in mind the goal that all people of good will can and should support—the elimination of hunger in a land of affluence.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

S. 3537

Be it enacted by the Senate and the House of Representatives in Congress assembled, That the heading of section 3 of the National School Lunch Act, as amended, is revised to read as follows: "Availability of Appropriations"; and the first sentence of such section 3 is deleted.

SEC. 2. The heading of section 4 of the National School Lunch Act is revised to read as follows: "Food Assistance" and the language of such section 4 is revised to read as follows:

"SEC. 4. (a) For each fiscal year, there is hereby authorized to be appropriated such sums as may be necessary to finance the food assistance payments under subsection (b) of this section.

(b) Except as provided in section 10 of this Act, in each fiscal year each State educational agency shall receive food assistance payments in an amount to be determined by multiplying the number of lunches (consisting of a combination of foods and meeting the minimum nutritional requirements prescribed by the Secretary pursuant to subsection 9(a) of this Act) served to children in schools within that State.

(c) The food assistance payments made available to each State educational agency for each fiscal year under subsection (b) of this section shall be used by the State educational agency to assist schools of that State in financing the cost of obtaining agricultural commodities and other foods used in the school lunch program under the provisions of this Act. Such food costs shall include, in addition to the purchase price of the agriculture commodities and other foods: (1) the cost of storing, handling, processing, distributing, and transporting thereof; (2) the cost of preparing and serving the food; and (3) the cost of administering and supervising the lunch program by school food authorities.

SEC. 3. The heading of section 5 of the National School Lunch Act, as amended, is revised to read as follows: "Payments to States"; and the language of such section 5 is revised to read as follows:

"SEC. 5. The state educational agency of each State desiring to participate in the school lunch program under this Act and the Child Nutrition Act of 1966 and to receive payments under the provisions of sections 4 and 11 of this Act and section 4 of the Child Nutrition Act of 1966 shall enter into an agreement with the Secretary and shall submit State plans of child nutrition operations in accordance with section 11 of this Act. The Secretary shall certify to the Secretary of the Treasury from time to time the amounts to be paid to any State under the provisions of sections 4 and 11 of this Act and the time or times such amounts are to be paid: *Provided that,* apportionments shall be disbursed at levels no less than the previous year's cumulative expenditures under sections 4 and 11 of this Act and section 32 of the Act approved August 24, 1935 (49 Stat. 774), by no later than the August preceding the school year, and adjustments in such apportionments to reflect increased expenditures because of increased costs and higher participation rates shall be made by no later than the following January, and as frequently thereafter as is necessary."

SEC. 4. Section 6 of the National School Lunch Act, as amended, is revised to read as follows:

"SEC. 6. For each fiscal year there is hereby authorized to be appropriated such sums as may be necessary to enable the Secretary to:

(1) finance his administrative expenses

under this Act and the Child Nutrition Act, provided that such amount shall not exceed 3½ per centum of the amount utilized in the preceeding fiscal year under Sections 4 and 11 of this Act and Sections 4 and 5 of the Child Nutrition Act of 1966.

(2) to supplement the nutritional benefits of these programs through grants in aid and other means for nutritional training and education of workers, cooperators and participants in these programs; and for the necessary survey and studies of requirements for food service programs in furtherance of the purposes expressed in Section 2 of this Act and Section 2 of the Child Nutrition Act of 1966: *Provided, however,* That, in any fiscal year the amount so used shall not exceed 2 per centum of the amount utilized in the preceeding fiscal year pursuant to the provisions of Sections 4 and 11 of this Act and Sections 4 and 5 of the Child Nutrition Act of 1966 and *Provided further,* That such amount shall be paid to the states by no later than the August preceeding the school year for which such funds are appropriated.

(3) to purchase agricultural commodities and other foods to be distributed among the states, schools and other institutions participating in the food service programs under this Act and the Child Nutrition Act of 1966 in accordance with the needs as determined by the local authorities of such schools and institutions. The provisions of law contained in the proviso of the Act of June 28, 1937, (50 Stat. 323) facilitating operations with respect to the purchase and disposition of surplus agricultural commodities under Section 32 of the Act approved August 24, 1935 (49 Stat. 774), as amended, shall, to the extent not inconsistent with the provisions of this Act, also be applicable to the expenditures of funds by the Secretary under this Act."

SEC. 5. The heading of Section 7 of the National School Lunch Act, as amended, is revised to read as follows: "Funds from Sources Within the States"; and the language of such Section 7 is revised to read as follows:

"SEC. 7. For the fiscal year beginning July 1, 1972, State revenue appropriated or utilized specifically for program purposes (other than salaries and administrative expenses at the state, as distinguished from the local level) shall constitute at least 4 per centum of the federal revenues derived from Section 4 of the Act for public schools; for each of the two succeeding fiscal years, at least 6 per centum of the funds derived from Section 4 for public schools; for each of the two subsequent fiscal years, at least 8 per centum of the funds derived from Section 4 for public schools; and for each fiscal year thereafter, at least 10 per centum of the funds derived from Section 4 for public schools."

SEC. 6. Section 8 of the National School Lunch Act, as amended, is revised as follows:

"SEC. 8. Payments made to any state during any fiscal year pursuant to Sections 4 and 11 of this Act shall be disbursed by the state educational agency on a priority system based on need, in accordance with such agreements prescribed by the Secretary as may be entered into by such State agency and the school food authorities and institutions in that state which the State educational agency determines eligible to participate in the School Lunch Program under this Act: *Provided, however,* That a school food authority that operates the program in one or more of its schools shall implement the program in all schools under its jurisdiction: *Provided, further,* That by the fiscal year ending June 30, 1975, every public school shall operate the program.

SEC. 7. The first sentence of section 9 of the National School Lunch Act, as amended, shall be designated as subsection (a) and at the end thereof the following shall be inserted: *"Provided, however,* That such minimal nutritional requirements shall in no event provide for less than (1) one-third (⅓) of the National Academy of Sciences Recommended Dietary Allowances for children aged four (4) to six (6) for children in kindergarten or pre-school programs, (2) one-third (⅓) of the National Academy of Sciences Recommended Dietary Allowances for boys aged ten (10) to twelve (12) for children in elementary schools, and (3) one-third (⅓) of the Recommended Dietary Allowances for boys aged fourteen (14) to eighteen (18) for children in junior and senior high schools." The sixth through twelfth sentences of such Section 9 shall be designated as subsection (c) of such section; and the second through fifth sentences of such Section 9 shall be designated as subsection (b) of such section and shall be revised to read as follows:

"(b) Any child who is a member of a household which has an annual income not above the applicable family size income level set forth in the income eligibility guidelines shall be served a free lunch. The income eligibility guidelines to be used in each fiscal year shall be those prescribed by the Secretary by not later than May 15 of the preceding fiscal year and the Secretary shall not subsequently reduce such income eligibility guidelines during any fiscal year to be effective for that fiscal year and in no event shall such income eligibility guidelines established by the Secretary be less than the poverty levels for such fiscal year as defined by the United States Department of Health, Education, and Welfare or the United States Office of Economic Opportunity. Such income eligibility guidelines shall be adjusted on a yearly basis to reflect changes in the cost of living as reported by the Bureau of Labor Statistics of the United States Department of Labor. Such income eligibility guidelines shall be considered a national minimum eligibility standard for free lunches and the Secretary shall pay during such fiscal years State education agencies and other participating institutions for meals served free or at a reduced price, not exceeding 10 cents per meal, pursuant to higher eligibility levels established by local school food authorities: *Provided, however,* That the State educational agency shall be authorized to establish minimum statewide eligibility standards, above the income poverty guidelines, for the provision of free and reduced-price meals. The eligibility criteria established by local school food authorities shall be made in accordance with a publicly announced set of criteria which shall include the level of family income, including welfare grants, and the number in the family unit; and such eligibility criteria shall realistically assure that all needy children will have access to a free or reduced-price meal that they can afford. Notwithstanding any other provision of this Act, in the case of any school or institution in which 80 per centum or more of the students are eligible for free or reduced-price meals, all students in such schools or institutions shall be served meals free."

SEC. 8. Section 10 of the National School Lunch Act of 1946, as amended, is revised to read as follows:

"SEC. 10. If, in any State, the State educational agency is not permitted by law to administer the school-lunch program under this Act in nonprofit private schools within that State, the Secretary shall administer such program in such private schools. In such event, the payments that would have been made in any fiscal year to the State educational agency under the provisions of sections 4 and 11 of this Act for lunches served in the non-profit private schools in such State shall be retained by the Secretary for disbursement to such private schools. The Secretary shall disburse the funds so retained to the nonprofit private schools within such a State for the same purposes and subject to the same conditions as are authorized or required under this Act with respect to the disbursements to schools within the State by the State educational agency.

SEC. 9. Subsection (h) of Section 11 of the National School Lunch Act, as amended, is redesignated as subsection (d) of such section; subsections (d), (e), (f) and (g) are deleted; and subsections (a), (b), and (c) are revised to read as follows:

"(a) For each fiscal year, there is hereby authorized to be appropriated such sums as may be necessary to finance the special assistance payments authorized under subsection (b) of this section.

(b) Except as provided in Section 10 of this Act, in each fiscal year each state educational agency shall receive special assistance payments in an amount to be determined in the following manner: multiplying the number of lunches (consisting of a combination of foods and meeting the minimum nutritional requirements of Subsection 9(a) of this Act) served free to children eligible for such lunches in schools or institutions within that state during such fiscal year by the special assistance factor for free lunches and multiplying the number of such lunches served at a reduced cost to children eligible for such reduced cost lunches in schools or institutions in that State during such fiscal year by the special assistance factor for reduced price lunches prescribed by the Secretary for such fiscal year. For the fiscal year beginning July 1, 1972, the Secretary shall prescribe a special assistance factor of not less than 45 cents for each free lunch served, and a special assistance factor of not less than 35 cents for each reduced price lunch served. For fiscal years subsequent to the fiscal year beginning July 1, 1972, the special assistance factors to be prescribed by the Secretary shall reflect changes in the cost of operating a school lunch program under this Act by giving equal weight to changes in the wholesale prices of food and wages rates for employees of eating places published by the Bureau of Labor Statistics of the United States Department of Labor. In no event shall the special assistance factors be less than those prescribed for the fiscal year beginning July 1, 1972. In circumstances of substantial need, any school or institution which requires a greater payment per meal in order to fulfill the requirements of Section 9, shall receive 60 cents per meal out of Section 11 of this Act or the cost of producing the meal, whichever is less, if it can establish to the satisfaction of the State educational agency that it would otherwise be financially unable to support the service of free and reduced price meals. The cost of producing the meal shall include, in addition to the purchase price of agricultural commodities and other foods: (1) the cost of storing, handling, processing, distributing the food; (2) the cost of preparing and serving the food, and; (3) the cost of administering and supervising the program. In no event shall such higher payment rate to a needy school, institution or school food authority jeopardize the right of any other school food authority, school or institution in the state to receive, at a minimum, the payment rates set forth in this Subsection.

(c) The special assistance payments made to each State agency under this Section shall be used by such State agency to assist schools of that State in financing the cost of free and reduced price meals served to children pursuant to Subsection 9(b) of this Act. The amount of such special assistance funds that a state shall from time to time receive shall be based on the need of the school for such special assistance.

SEC. 10. Subsection (d) of Section 12 of the National School Lunch Act, as amended, is amended by inserting the phrase "the Trust Territory of the Pacific Islands," before the word "or" in paragraph (1); by deleting paragraphs (4), (5), and (6); and by redesignating paragraph (7) as paragraph (4).

SEC. 11. The first sentence of section 13 (a) (1) is amended to read as follows: "There is hereby authorized to be appropriated $32,000,000 for the fiscal year ending June 30, 1972, $125,000,000 for the fiscal year ending June 30, 1973, and such sums as may be necessary for each succeeding fiscal year to enable the Secretary to formulate and carry out a program to assist States through grants-in-aid and other means, to initiate, maintain, or expand nonprofit food service programs for children in service institutions."

SEC. 12. Section 14 of the National School Lunch Act, as amended, is amended as follows:

(1) In subsection (a), replace the word "thirteen" with the word "nineteen" and insert the following phrase after the phrase "(or the equivalent thereof)" the second time it appears in such subsection: "one member shall be a supervisor of a multi-unit school-lunch program; two members shall be children participating in the National School Lunch Program, at least one of whom is receiving a free or reduced price lunch; and three members shall be parents of children participating in the National School Lunch Program, at least two of whom are the parents of children receiving a free or reduced price lunch."

(2) In subsection (b), delete the number "nine" and insert in lieu thereof the number "fifteen"; and delete the phrase "three members" each time it appears in the subsection and insert in lieu thereof the phrase "five members"; and

(3) In subsection (e), delete the word "seven" and insert in lieu thereof the word "ten".

SEC. 13. The Child Nutrition Act of 1966 (42 U.S.C. 1771–1785) is amended as follows:

(1) Section 4(a) is amended by striking out the first sentence and inserting in lieu thereof the following: "There is hereby authorized to be appropriated for the fiscal year 1972 the sum of $25,000,000 for the fiscal year 1973 and for each fiscal year thereafter such sums as may be necessary to carry out a permanent program to assist the States through grants-in-aid and other means to: (1) initiate, maintain, or expand nonprofit breakfast programs in all schools in the United States which make application for assistance and agree to carry out a breakfast program in accordance with the rules and regulations promulgated by the Secretary, and (2) establish and operate breakfast programs run by local agencies."

(2) Section 4(b) is amended by striking out "in accordance with the apportionment formula contained in section 4 of the National School Lunch Act, as amended" and inserting in lieu thereof the following: *"Provided, however,* That beginning with the fiscal year beginning on July 1, 1972, funds appropriated for purposes of this section shall be paid to the States in such amounts as may be necessary to assist such schools or agencies in financing the costs of the program at a rate of not less than 30 cents per breakfast served under the program, or the cost of such breakfasts served, whichever is less: *Provided, however,* That funds appropriated for purposes of this section shall be paid to the States in such amounts as may be necessary to pay needy schools or agencies, designated as needy pursuant to subsection (d), for 100 percent of the cost of such breakfasts served. By August 1 of every year, the States shall receive at least the same amount of money that they spent for the program during the previous fiscal year, and further payment should be made at least by January, and as often thereafter as may be necessary, to pay States for the increased costs of the program. In computing the cost of each breakfast served there shall be included: (1) the cost of purchasing, processing, transporting, distributing, storing and handling food; (2) the cost of preparing and serving the food; and (3) the cost of administering and supervising the breakfast program. In determining the amount of payment for any school or agency during any period, there shall be deducted from the cost of breakfasts served the amount received in payment for the breakfasts served during such period.

(3) Section 4(c) is amended to read as follows: "(c) Funds paid to any State for the purpose of this section shall be disbursed by the State educational agency to assist such schools in financing the program costs of all schools which make application for assistance and agree to carry out a breakfast program in accordance with the rules and regulations promulgated by the Secretary: *Provided, however,* That during fiscal year 1973 and thereafter, schools shall be reimbursed at a rate not less than 30 cents per breakfast served, whichever is lower: *Provided, however,* That in determining the amount of reimbursement to any school during any period, there shall be deducted from the cost of breakfasts served, the amount received in payment for the breakfasts served during such period. The reimbursable costs of the program shall include: (1) the cost of purchasing, processing, transporting, distributing, storing and handling food; (2) the cost of preparing and serving the food; and (3) the cost of administering and supervising the breakfast program.

(4) Section 4(d) is amended to read as follows: "(d) In circumstances of substantial need, any school, which requires a greater reimbursement per meal in order to fulfill the requirements of Subsection (e), shall receive 100% of all its program costs if it can establish to the satisfaction of the State educational agency that it would otherwise be financially unable to support the service of breakfasts."

(4) Section 4(d) is amended to read as out the period at the end of the first sentence and inserting in lieu thereof a semicolon and the following: "but in no event shall such minimum requirements permit (1) breakfasts served in kindergartens and preschool programs to contain less than one-third (⅓) of the recommended dietary allowances prescribed by the National Academy of Sciences for children between 4 and 6 years of age; (2) breakfasts served in elementary schools, to contain less than one-third (⅓) of the recommended dietary allowances prescribed by the National Academy of Sciences for boys between 10 and 12 years of age; and (3) breakfasts served in high schools to contain less than one-third (⅓) of the recommended dietary allowances prescribed by the National Academy of Sciences for boys between 14 and 18 years of age."

(6) Section 4(e) is amended by striking out the second sentence and inserting in lieu thereof the following: "Such breakfasts shall be served without cost to all children in such schools who are determined by local school authorities to be unable to pay the full cost of the breakfast. Any child eligible for a free or reduced price lunch under the National School Lunch Act shall be eligible for free breakfasts under this Section."

(7) The third and fifth sentences of Section 4(e) are each amended by striking out "or at reduced cost".

(8) Section 4(e) is amended by inserting after the sixth sentence a new sentence as follows: "An affidavit executed by the adult member of any household pursuant to Section 9 of the National School Lunch Act shall be sufficient for purposes of determining the eligibility of any child of such household for free breakfasts under this Section."

(9) Section 4 is further amended by adding at the end thereof a new Subsection as follows:

"INFORMATION REGARDING PROGRAM

"(g) The Secretary shall require that all schools participating in the breakfast program under this Act shall notify the parents or guardians for all children enrolled in such school regarding (1) the standards to be followed in determining eligibility for free breakfasts, (2) the procedures to be followed in protecting the anonymity of children who receive free breakfasts, and (3) the procedures to be followed in appealing any adverse decision, including any hearing rights."

(10) Section 4 is further amended by adding at the end thereof a new subsection as follows:

"IMPLEMENTATION OF PROGRAM BY AGENCIES

"(h) In areas where the school food authority has failed to apply for the program in some or all of its schools, the state educational agency shall approve the applications of agencies seeking to operate the program if such agencies are willing to comply with the rules and regulations promulgated by the Secretary, and if such agencies can demonstrate to the State educational agency that they have the ability and willingness to operate a sound program provided, however, that in States that are not permitted by law to disburse funds to private agencies, or whenever agencies have been denied the opportunity to implement the program, such agencies shall be authorized to implement a program if they can demonstrate to the Secretary that they have the ability and willingness to operate a program. The State educational agency shall reimburse such agencies pursuant to the school reimbursement provisions contained in Subsections (c) and (d), and commodities shall be made available to such agencies in the same manner as they are available to schools participating in the program."

(11) The first sentence of Section 5(a) is amended by deleting the phrase "for the fiscal year ending June 30, 1973, not to exceed $15,000,000 and for each succeeding fiscal year, not to exceed $10,000,000," and inserting in lieu thereof the following phrase: "for each of the three fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975, not to exceed $80,000,000 and for each succeeding fiscal year, not to exceed $40,000,000."

(12) The last sentence of section 5(b) is repealed.

(13) A new section 5(e) is added to the Child Nutrition Act as follows:

"RESERVE OF FUNDS

"(e) In each of the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975, 50 per centum of the funds appropriated for the purposes of this section shall be reserved by the Secretary to assist schools without a food service and he shall apportion the funds so reserved among the States on the following basis: The amount to be apportioned to any State shall bear the same ratio to the total of such reserved funds as the number of children enrolled in schools without a food service in the State for the latest fiscal year for which the Secretary determines data are available at the time such funds are apportioned bears to the total number of children enrolled in schools without a food service in all States in such fiscal year. In those States in which the Secretary administers the school lunch program under the National School Lunch Act in nonprofit private schools, the Secretary shall withhold from the funds apportioned to any such State under this subsection an amount which bears the same ratio to such funds as the number of children enrolled in nonprofit private schools without a food service in such State for the latest fiscal year for which the Secretary determines data are available at the time such funds are withheld bears to the total number of children

enrolled in all schools without food service in such State in such fiscal year. The funds reserved, apportioned, and withheld under the authority of this subsection shall be used by State educational agencies, or the Secretary in the case of nonprofit private schools, only to assist eligible schools without a food service. If any State cannot utilize all the funds apportioned to it under the provisions of this subsection to assist eligible schools in the State without a food service, the Secretary shall make further apportionments to the remaining States in the same manner set forth in this subsection for apportioning funds among all the States and such remaining States or the Secretary, in the case of nonprofit private schools, shall use the additional funds so apportioned or withheld only to assist eligible schools in the State without a food service."

(14) The first sentence of section 8 is amended by inserting after "Each school" the term "and agency".

(15) The second sentence of section 8 is amended by striking out "may be donated by the Secretary to schools," and inserting in lieu thereof "shall be donated by the Secretary to schools and agencies, to the maximum extent practicable and".

(16) Section 9 is amended by inserting after "in schools" the term ", agencies, and nonprofit institutions".

(17) The first sentence in section 10 is amended by inserting after "participating schools" the term ", agencies, and service institutions".

(18) Section 15 is amended by adding at the end thereof a new subsection as follows:

"(f) 'School food authority' means the governing body which is responsible for the administration of one or more schools and which has the legal authority to operate a breakfast program therein."

(19) Section 15 is further amended by adding at the end thereof a new subsection as follows:

"(g) 'Agency' means a public or private organization, such as a church, civic, antipoverty, or similar group, that applies to operate a nonprofit breakfast program in a neighborhood where the school food authority has failed to apply for such a program in a nearby school."

SEC. 20. This Act shall become effective beginning with the fiscal year which begins July 1, 1973.

By Mr. BAYH (for himself, Mr. EAGLETON, Mr. MCGEE, Mr. MCGOVERN, Mr. PASTORE, Mr. MONDALE, Mr. RIBICOFF, and Mr. TUNNEY):

S. 3538. A bill to amend the Controlled Substances Act to require identification by manufacturer of each schedule II dosage unit produced; and

S. 3539. A bill to amend the Controlled Substances Act to move certain barbiturates from schedule III of such act to schedule II. Referred to the Committee on the Judiciary.

THE PROBLEM OF BARBITURATE ABUSE

Mr. BAYH. Mr. President, the Subcommittee on Juvenile Delinquency, of which I am chairman, has been conducting an intensive investigation into the abuse of psychotrophic drugs by our Nation's youth. We have been particularly concerned by the increasing abuse of amphetamines and barbiturates which many medical experts believe has reached crisis proportions. Last summer, we conducted hearings on amphetamine abuse in which we heard the tragic experiences of many young people who had been hooked on "speed" or "uppers," as these drugs are known in the street culture. We also heard from leading doctors and criminologists that amphetamines were widely abused at all levels of our society. Shortly after the conclusion of these hearings, the Bureau of Narcotics and Dangerous Drugs announced the administrative rescheduling of two amphetamine-like substances, with which we had been particularly concerned — phenmetrazine — "Preludin"— and methylphenidate—"Ritalin"—from schedule III to schedule II of the Controlled Substances Act of 1970. Under schedule II, these drugs are subject to stricter production and distribution controls, including the establishment of annual production quotas.

The subcommittee has pursued its investigation of the abuse of psychotropic drugs with particular emphasis on the problem of barbiturate abuse. We quickly learned that barbiturates present a threat to our national welfare that is far more serious than amphetamines, and even heroin.

We found that as many as 4 million school-age youths have abused barbiturates and that this number is rapidly increasing. The ready availability of these dangerous drugs at low prices have caused many medical experts to predict that 1972 will be known as "the year of the downer."

Barbiturates are the best known of the drugs which are used medically to relax the central nervous system. On the street these sedatives are known as "downers" or "goofballs." They are also known by brand names: Seconal—reds, red devils; Nembutal—yellow jackets; Amytal—blue angels; and Tuinal—rainbows, Christmas trees. All are synthetically derived from barbituric acid. However, they vary in the onset and duration of their action.

Barbiturates are highly dangerous when taken without proper medical supervision. Increasing use of these pills quickly produces tolerance. Once tolerance is achieved, the user experiences a euphoric effect from taking "downers"; rather than feeling merely drowsy and sluggish, he actually feels high—and completely insulated from reality. A regular abuser will suffer severe withdrawal symptoms, similar to delirium tremens, when the drug is suddenly terminated. However, severe withdrawal may be brought on even by a moderate reduction of the accustomed dose. After 12 hours off the drug, the user experiences nervousness, headache, tremors, insomnia, fever, and nausea.

After 3 days, some go into convulsions and delirium. Visual hallucinations, usually of a persecutory nature, are common. Barbiturate withdrawal is a serious medical emergency and requires hospitalization. It is more dangerous than heroin withdrawal and can be deadly.

Certain kinds of barbiturate addiction are regarded by many medical authorities as more difficult to cure than narcotic addiction.

Barbiturates are used by millions of Americans in every stratum of society. Unfortunately, in many homes some degree of barbiturate abuse is common, and usually unrecognized. Most Americans simply do not realize the terrible consequences of abusing these drugs. Barbiturates are not viewed with the alarm that we view heroin and morphine, although we know that the effects of these drugs may be even more devastating. Children grow up watching their parents take these pills, and they quickly develop an acceptance of drug taking. Thus, casual attitudes toward these potentially destructive drugs, coupled with a readily available supply in the family medicine cabinet, appear intimately connected with the current trend in youthful barbiturate abuse.

In December, the subcommittee conducted hearings on the nature and extent of barbiturate abuse. We heard representatives of the medical community describe the enormous abuse potential of these drugs. We heard young people who had experienced the horrors of barbiturate dependency relate how easy it is to obtain these dangerous drugs. In fact, many of the young witnesses had started down the terrible road to barbiturate addiction with pills taken from the family medicine cabinet. We learned from criminologists and sociologists the dynamics of abuse and emerging nationwide patterns of barbiturate dependency and addiction.

What are the sources for these dangerous drugs? Former barbiturate addicts have told the subcommittee that they obtained their barbiturates—"blue devils," "redbirds," and "yellow jackets"—from friends, street dealers, physicians, pharmacies, or by pilfering their family medicine cabinets. Others have suggested that a significant percentage of the persons abusing barbiturates obtain them originally through legitimate channels and then resort to self-medication and nonmedical use. One youngster, age 16, remarked that it is less of a "hassle" to obtain "downers" than it is to purchase cigarettes.

I have learned how readily available and inexpensive these drugs are from personal experience. Several months ago I visited a number of barbiturate treatment programs in California. During the course of a "rap session" with several barbiturate addicts, one young counselor at the Haight-Ashbury Free Clinic in San Francisco, himself a former barbiturate addict, slipped out of the session unnoticed. In a matter of minutes he returned with the fruits of several minutes effort: a handful of legitimately produced "yellow jackets," purchased for 25 cents a capsule from a local street dealer.

I am deeply concerned that barbiturate abuse may indeed become the number one drug problem facing our Nation. The investigation and hearings conducted by my subcommittee have revealed a dramatic increase both in the availability of these dangerous drugs and in the extent of abuse. The problem is reaching epidemic proportions. We cannot afford to wait.

Until we have developed a more complete legislative record, it is difficult to predict what corrective legislation would be most effective in dealing with this problem. But it is clear that a substantial problem exists, and in order to focus the testimony of those who will appear before us I am today, introducing two pieces of legislation, which are cosponsored by other Senators.

The first bill would provide for the re-

scheduling of four commonly abused, short acting barbiturates from schedule III to schedule II of the Controlled Substances Act. This change would subject these particular barbiturates to stricter production and distribution controls as well as to more stringent import and export regulations. The second bill would require all manufacturers and producers of solid oral form barbiturates to place identifying marks or symbols on their products. This would facilitate police efforts in tracing barbiturates diverted to the illicit market back to the original production and distribution sources.

These two bills attempt to deal with the most significant aspects of production, distribution, and diversion of the short acting barbiturates.

We are not yet sure whether either or both of these measures will be necessary to deal effectively with the abuse problem. However, they will provide a clear issue for future hearings and investigations of the subcommittee. We intend to gather a wide range of opinion from people active in the area of drug abuse control as well as from the pharmaceutical manufacturers on the need for these or other legislative measures. The subcommittee will consider these bills and suggested alternative proposals during the coming months before recommending specific legislative action.

Barbiturate abuse presents a growing threat to the health and safety of all our citizens. We cannot afford to delay in developing an effective comprehensive response to a problem of such critical proportions. We have learned from the experience of major urban areas, especially those on the west coast, that barbiturate addiction and abuse is a natural progression from abuse of psychedelic drugs and amphetamines. Patterns of barbiturate abuse now established in California will emerge within a few years in cities and towns throughout our country. This "ripple effect" should clearly alert us that barbiturates are indeed a present menace to the well-being of our entire Nation.

Mr. President, I ask unanimous consent that the text of both bills be printed at this point in the RECORD.

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

S. 3538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 305 of the Controlled Substances Act (Public Law 91–513, 84 Stat. 1250) is amended by adding at the end thereof the following new paragraph:

(e) It shall be unlawful to manufacture or distribute solid oral form controlled substances in schedule II, unless each solid oral form dosage unit carries a manufacturer's identification as required by regulation of the Attorney General.

S. 3539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) schedule II of section 202(c) of the Controlled Substances Act (Public Law 91–513, 84 Stat. 1250) is amended by adding at the end thereof the following new paragraph:

(d) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system:

(1) Amobarbital;
(2) Pentobarbital;
(3) Secobarbital;
(4) Butabarbital.

By Mr. SPONG:

S. 3541. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness. Referred to the Committee on Interior and Insular Affairs.

Mr. SPONG. Mr. President, in order to provide a vehicle for complete discussion of the extent to which wilderness areas should be designated in the Shenandoah National Park, I introduce for appropriate reference a bill to designate approximately 112,687 acres of the park as wilderness.

The National Park Service has proposed setting aside 73,280 acres of land as wilderness, and a bill to accomplish that objective was introduced last year. It is my understanding that the Senate Interior Committee will receive testimony on the measure at hearings scheduled for May 5.

Since last July, the Shenandoah Coalition—a group of 15 conservation-oriented associations—has been evaluating the Park Service proposal, and has concluded that additional areas should be designated as wilderness. I am today introducing their proposal in legislative form so as to afford them a formal basis for their testimony at the Interior Committee's hearings.

By Mr. HANSEN:

S. 3542. A bill to amend section 311(d)(2)(A) of the Internal Revenue Code of 1954. Referred to the Committee on Finance.

Mr. HANSEN. Mr. President, I submit for appropriate reference legislation which would amend section 311(d)(2)(A) of the Internal Revenue Code of 1954.

This amendment corrects a technical defect in section 311(d)(2)(A), which was added by the Tax Reform Act of 1969. The amendment would apply constructive ownership rules in determining whether a shareholder owns at least 10 percent in value of the stock of a corporation which redeems all of his stock so as to protect the corporation from being taxed on any appreciation in property distributed by it in complete redemption of the shareholder's stock.

The bill would amend section 311(d)(2)(A) by inserting after the word "owns" and before the words "at least 10 percent" the following: "(directly or constructively under the rules of section 318(a) which shall apply in determining ownership of stock for purposes of this subparagraph to the same extent and in the same manner as such rules apply for purposes of section 302(b)(3))".

The general rule of section 311 is that no gain or loss is recognized to a corporation on the distribution of property with respect to its stock. The Tax Reform Act of 1969 made several changes in this general rule. However, section 311(d)(2)(A) continued this protection against recognition of gain to the distributing corporation if the distribution meets two tests. First, the distribution must be in complete redemption of all of the stock of a shareholder who owns at least 10 percent in value of the outstanding stock of the corporation. Second, the redemption must qualify as a complete termination of the shareholder's interest in the corporation.

Section 311(d)(2)(A) applies constructive ownership rules in determining whether the second test of completely terminating the shareholder's interest is met. However, it fails to apply those same constructive ownership rules in determining whether the shareholder owns the requisite 10-percent stock interest. The amendment merely corrects this situation, and applies the same constructive ownership rules for determining both the termination of interest requirement and the 10-percent stock ownership requirement.

One illustration of the existing problem involves a trust which directly owns 12 percent of the stock of a corporation and which constructively owns an additional 8 percent of the stock which is directly owned by an individual who is sole beneficiary of the trust. Both the trust and the individual desire to have their stock redeemed in a redemption which qualifies as a complete termination of interest. To effect this, all of the stock owned by each must be redeemed because each is treated as a 20-percent shareholder under the constructive ownership rules. The problem is that section 311(d)(2)(A) does not apply the constructive ownership rules in determining whether the individual qualifies as a 10-percent shareholder, so that the corporation will recognize gain if it distributes appreciated property in redemption of the individual's stock. Under the amendment, the individual will be treated as owning the stock held by his trust so as to qualify him as owning at least 10 percent of the stock. If, in the above case, more than one individual were a beneficiary of the trust, each beneficiary owning stock of the corporation would also have to completely dispose of his stock to enable the trust to attain a complete termination of interest.

The situation which called this problem to my attention involves a corporation whose stock is owned by different family groups and by several trusts for the benefit of individual members of the families. One family group—and trusts for their benefit—own approximately 47 percent of the stock of the corporation and they wish to have all of their stock redeemed. The corporation's assets consist largely of property which has appreciated in value. The corporation can afford to redeem its stock only if it is protected against recognizing gain on appreciated property distributed in the redemption. Each of the individuals and the trusts owns more than 10 percent of the corporation's stock in determining the shares which have to be redeemed to effect a complete termination of interests. However, some of the individuals and trusts directly own less than 10 percent of the stock unless the constructive ownership rules are applied in the same

manner as they are applied for the complete termination of interest test.

The amendment applies the constructive ownership rules in applying the 10-percent shareholder test to the same extent and in the same manner as such rules apply for purposes of the complete termination test of section 302(b)(3). This rule precludes an individual from taking into account stock held by another family member for purposes of meeting the 10-percent shareholder test unless he is also treated as constructively owning the other family member's stock in applying section 302(b)(3). For example, if a father directly owns 8 percent of the stock of a corporation and his son directly owns 9 percent of the stock of a corporation, the father would be treated as constructively owning his son's stock to meet the 10 percent shareholder test only if the son's stock is also redeemed in the transaction.

Mr. President, this is a technical type of amendment, and I hope that it will receive the rapid consideration of the Senate.

By Mr. MAGNUSON (by request):

S. 3546. A bill to designate the hospital cations Act of 1934, as amended, with respect to Commissioners and Commission employees. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, by request, I introduce a bill to amend the Communications Act of 1954, and I ask unanimous consent that a communication from the Chairman of the Federal Communications Commission submitting an explanation of the bill be printed in the RECORD.

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

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., April 11, 1972.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: The Commission has adopted as part of its Legislative Program for the 92nd Congress a proposal to amend section 4 of the Communications Act with respect to commissioners and Commission employees.

The bill essentially is designed to permit financial interests in mutual funds and companies who are subject to the licensing provisions of the Communications Act only because they make some incidental use of radio communication as an aid to their business operations. It would prohibit financial interests in broadcast stations, cable television systems, and communications common carriers or mutual funds whose investments are concentrated substantially in those areas.

The Commission's draft bill to accomplish the foregoing objective was submitted to the Office of Management and Budget for its consideration. We have now been advised by that Office that from the standpoint of the Administration's program there would be no objection to the presentation of the draft bill to the Congress for its consideration. Accordingly, there are enclosed six copies of our draft bill and explanatory statement on this subject.

The consideration by the Senate of the proposed amendment to the Communications Act of 1934 would be greatly appreciated. The Commission would be most happy to furnish any additional information that may be desired by the Senate or by the Committee to which this proposal is referred.

Sincerely,

DEAN BURCH, *Chairman.*

EXPLANATION OF BILL TO AMEND SECTION 4 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED, WITH RESPECT TO COMMISSIONERS AND COMMISSION EMPLOYEES

This proposal would amend subsection 4(b) of the Communications Act of 1934, as amended, with respect to commissioners and Commission employees.

Subsection 4(b) of the Communications Act provides as follows:

(b) Each member of the Commission shall be a citizen of the United States. No member of the Commission or person in its emply shall be financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio; or in any company owning stocks, bonds, or other securities of any such company; nor be in the employ of or hold any official relation to any person subject to any of the provisions of this Act, nor own stocks, bonds, or other securities of any corporation subject to any of the provisions of this Act. Such commissioners shall not engage in any other business, vocation, profession, or employment. Any such commissioner serving as such after one year from the date of enactment of the Communications Act Amendments, 1952, shall not for a period of one year following the termination of his service as a commissioner represent any person before the Commission in a professional capacity, except that this restriction shall not apply to any commissioner who has served the full term for which he was appointed. Not more than four members of the Commission shall be members of the same political party.

Proposed paragraph (1) of subsection (b) includes, without substantive changes, all existing provisions of that subsection concerning commissioners except as to their financial interests. Proposed paragraphs (2) and (3) revise the provisions concerning the financial interests of commissioners and employees. Paragraph (4) explains that the Commission is not restricted by this Act from imposing restrictions in addition to those set forth in Public Law 87-849 and other laws or Executive Orders. Paragraph (5) affords the Commission the opportunity to waive certain provisions of subsection 4(b) to avoid hardships which could arise in exceptional circumstances.

Conflict of interest provisions in the law have the highly salutary purpose of ensuring that Government officials act in the public interest and maintain their affairs so that no actual or apparent personal financial motivations cloud their official decisions. We are in full accord with this objective.

However, subsection 4(b) of the Communications Act, adopted in 1934 under quite different circumstances than prevail today, is far more restrictive than recent Congressional and Administrative pronouncements and is substantially inconsistent with current national policy.

Congress in 1962 extensively revised chapter 11 of Title 18, U.S.C., dealing with bribery, graft, and conflicts of interest (Public Law 87-849, approved October 23, 1962). Section 208 of that revision requires non-participation by officers or employees in matters in which they have financial interests. It reads:

(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, of any independent agency of the United States, or of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, partner, organization in which he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest—

Shall be fined not more than $10,000, or imprisoned not more than two years, or both.

(b) Subsection (a) hereof shall not apply (1) if the officer or employee first advises the Government official responsible for appointment to his position of the nature and circumstances of the judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee, or (2) if, by general rule or regulation published in the Federal Register, the financial interest has been exempted from the requirements of clause (1) hereof as being too remote or too inconsequential to affect the integrity of Government officers' or employees' services.

This statute of general applicability is not as restrictive as section 4(b) of the Federal Communications Act. We recognize, however, that in certain highly specialized fields, such as communications, some additional restrictions may be appropriate with respect to, for example, investments of commissioners and employees in companies regulated by the agency. In this respect, the Communications Act, proscribing certain activities and investments of commissioners and Commission employees, is much more restrictive than are the statutes of other regulatory agencies, which as a general rule apply only to commissioners.[1]

Past announcements of the executive branch and the Congress lend vital support to the view that conflict-of-interest provisions, while they must adequately protect the public interest, need not go beyond what is necessary to ensure that protection. Congress has also expressed its attitude with respect to this general problem in the legislative history of the 1962 amendments to the conflict-of-interest statutes. The House Report (H. Rept. No. 748, 87th Cong., 1st Sess., p. 6) states:

"It is also fundamental to the effectiveness of democratic government, that, to the maximum extent possible, the most qualified individuals in the society serve its government. Accordingly, legal protections against conflicts of interest must be so designed as not unnecessarily or unreasonably to impede the recruitment and retention by the Government of those men and women who are most qualified to serve it. An essential principle underlying the staffing of our governmental structure is that its employees should not be denied the opportunity available to all other citizens, to acquire and retain private economic and other interests, except where actual or potential conflicts with the responsibility of such employees to the public interest cannot be avoided.[2] [footnote added]"

Thus, the Commission is not seeking any

Footnotes at end of article.

special treatment in this area. We are endeavoring to have the antiquated provisions of this statute modified to reflect the present general law and to avoid obvious inequities which, through changed circumstances since its enactment, give the Communications Act potentially greater coverage than was either intended or envisioned.

There is no legislative history to explain the meaning Congress attached to section 4(b). Since its enactment, however, far-reaching changes have occurred in the communications art, and the Commission now has more than a million licensees. Thus, every executive's airplane equipped with radio communication must have a license from the FCC. States and municipalities are licensees of police and fire systems. In fact, practically every segment of the American economy (farming, mining, fishing, manufacturing, transportation, public utilities, etc.) uses radio communication as an aid to business operation, and is, therefore, subject to the licensing provisions of the Communications Act. The full import of this vast growth in licensing activity is in itself sufficient to cause a re-evaluation of the unequitable restrictions of section 4(b).

Another factor also tending to broaden the potential coverage of the section's existing language is the increased diversification of activity and financial interests of companies which has occurred in the three decades since the section's enactment. Thus, many companies, through a complex of corporate inter-relationships and business organizations, have remote interests in various licensees of the Commission.

Although such an interest might not be readily apparent, stock ownership in these companies could conceivably be violative of section 4(b) of the Act.

The proposed amendment would therefore make clear that section 4(b) is not intended to cover the multitude of companies whose use of radio is incidental or whose relationship to companies subject to the Act is remote.

Even as to companies directly involved in broadcasting or communications common carriers, the effect of mutual fund development must be considered. Thus, almost any mutual fund would likely contain some shares in American Telephone and Telegraph Company, General Electric, Radio Corporation of America, or a similar company. Where the mutual funds' investments are not concentrated substantially in broadcasting companies, communications common carriers, or companies engaged in the manufacture or sale of apparatus for wire or radio communication, the Communications Act should be clarified to permit commissioners and Commission employees to purchase shares of such mutual funds.

The effects of such wide disparity between the potential reach of section 4(b) of the Communications Act and existing national policy are difficult to evaluate. It is believed that its broad restrictions may tend to discourage some potential applications for employment with the Commission and to limit unfairly the investment opportunities available to Commission employees.[3]

The proposed amendment would continue to prohibit commissioners and Commission employees from having a direct financial interest in, employment by, or any official relation to (i) any person engaged in radio broadcasting; (ii) communications common carriers; (iii) persons a substantial part of whose activities consist of the manufacture or sale of apparatus for wire or radio communication; (iv) mutual funds, holding companies, or other investment companies whose investments are concentrated substantially in the entities included in paragraphs (i), (ii), and (iii). As an additional safeguard, the amendment also specifically states that nothing herein shall limit the authority of the Commission under Public Law 87-849 (87th Congress, approved October 23, 1962) or other law or Executive Order to restrict further the financial interests or official relations of its employees.

The proposal has a provision similar to the one in 18 U.S.C. § 208(b) which would permit the appointing authority to waive the prohibitions in certain cases. This provision would permit the avoidance of injustice or hardship which could arise in exceptional circumstances. For example, if a Commission employee were to be named beneficiary for a trust containing, among other things, a few shares of stock of an interstate communications common carrier, he could be in violation of the Act if he continued in the Commission's employ. Yet he might have no control over the trust and not be able to get the trustees to sell the prohibited shares. Other factual situations, each one unique, could arise and could be remedied under this waiver proviso.

Finally, the proposal would repeal as unnecessary the second sentence of subsection (j) of section 4, which appears redundant in the light of section 208 of Title 18, to which the members and employees of the Commission would continue to be subject.

The Commission agrees that actual or apparent conflicts of interest should be avoided and prohibited. However, as shown we believe the restrictions of section 4(b) potentially go far beyond what was ever envisioned and the section's prohibitions are certainly more extensive than required in order to avoid actual conflicts of interest or even the "appearance of evil."

The general conflict-of-interest laws as revised in 1962, together with the additional restrictions contained in section 4(b) as proposed, will provide adequate statutory standards to protect the public interest and insure impartial and unbiased conduct.

Adopted: October 21, 1970.

FOOTNOTES

[1] The more liberal provisions of the ICC Act (49 U.S.C. § 305) apply to members, examiners and members of a joint board; the CAB prohibition applies only to members of the Board (49 U.S.C. § 1321(b)); restrictions at FAA are on the Administrator and Deputy Administrator but not on employees of the agency (49 U.S.C. §§ 1341(b) and 1342(b)); restrictions against financial interests with respect to the Federal Power Commission apply only to commissioners (16 U.S.C. § 792).

[2] Senate Report No. 2213, 87th Cong., 2d Sess., notes as the "consensus" of views that some of the conflict-of-interest statutes create wholly unnecessary obstacles to recruiting qualified people for government service.

[3] Unlike the general conflict-of-interest statute (18 U.S.C. § 208), section 4(b) does not presently have a provision for waiver of insubstantial financial interest.

[4] That sentence provides: "* * * No commissioner shall participate in any hearing or proceeding in which he has a pecuniary interest." It would seem that non-participation by a commissioner in any hearing or proceeding in which he has a pecuniary interest [section 4(j) of the Communications Act] is, if anything, not as broad as the non-participation in a wider variety of activities enumerated by 18 U.S.C. § 208 in which, to his knowledge, he, his spouse, minor child, etc., has a financial interest.

By Mr. MAGNUSON (by request):

S. 3545. A bill to amend section 7 of the Fishermen's Protective Act of 1967. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, by request, I introduce a bill to amend the Fishermen's Protective Act of 1967.

I ask unanimous consent that a communication from the Secretary of Commerce together with a statement and purpose of need of the bill be printed in the RECORD.

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

THE SECRETARY OF COMMERCE,
Washington, D.C., April 5, 1972.

HON. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are four copies of a draft bill "to amend section 7 of the Fishermen's Protective Act of 1967," together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to submission of our draft bill to the Congress and further that enactment would be consistent with the Administration's objectives.

Sincerely,

PETER G. PETERSON,
Secretary of Commerce.

Enclosures.

STATEMENT OF PURPOSE AND NEED

Section 7 of the Fishermen's Protective Act of 1967, as amended, (Public Law 90-482; 22 U.S.C. 1977), authorized establishment of the Fishermen's Protective Fund, as a separate account in the Treasury, until February 8, 1973, to provide for reimbursement of losses and costs (other than fines, license fees, registration fees, and other direct costs which are reimbursable through the Secretary of State) incurred as a result of the seizure of a U.S. commercial fishing vessel by a foreign country on the basis of rights or claims, which are not recognized by the United States, in either territorial waters or on the high seas. Any owner of a U.S.-flag fishing vessel, in exchange for a small fee, may enter into a Guarantee Agreement with the Secretary for such coverage.

Since its inception on February 9, 1969, the program has met with considerable enthusiasm and interest by the U.S. commercial fishing industry. Forty-five Guarantee Agreements were effected for fiscal year 1969, 66 for fiscal year 1970, 214 for fiscal year 1971, and 210 as of February 22, 1972, for fiscal year 1972. Of the 210 for fiscal year 1972, 100 are for tuna vessels and 110 are for shrimp vessels.

Seventy vessel seizures have been reported since the program began. Of these three have not yet been confirmed and three were not covered by Guarantee Agreements. Claims with respect to all seizures since the program began are estimated at about $640,000.

The 4-year program under section 7 of the Act was designed to provide assistance to U.S. fishermen while negotiations were continuing with foreign countries to resolve the problem of fisheries jurisdiction. Viewed as a temporary measure, it does not undermine the principle that denies public compensation for private claims against foreign governments. Moreover, it provides a substantial measure of relief to the American fishing industry without incentive for abuse and serves to support the position of the Government in developing our fishing industry.

When the bill was under consideration, it was hoped that the United States would be able to enter into negotiations which would obviate the need for an extension of the program. Unfortunately, this has not been the case but we are still striving toward this goal. In the meantime, additional countries have asserted claims to a 200-mile limit, and the rate of seizures has accelerated greatly. Under these circumstances, it is appropriate to request that the provisions of section 7 of the Act be extended until July 1, 1977, as provided in section 1 of the draft bill.

Section 2 of the draft bill recognizes the transfer of authority for the program from the Secretary of the Interior to the Secretary of Commerce pursuant to the provisions of Reorganization Plan No. 4 of 1970 (84 Stat. 2090).

By Mr. GURNEY:

S. 3546. A bill to designate the hospital being constructed in Tampa, Fla., as the "Melvin T. Dixon Veterans Hospital." Referred to the Committee on Veterans' Affairs.

Mr. GURNEY. Mr. President, today I am introducing a bill to honor a man who made a great contribution to Florida and the Nation, the late Melvin T. Dixon. My bill would name the new Veterans' Administration hospital, presently being built in Tampa, Fla., and scheduled for completion this year, after Mel Dixon.

Mel Dixon worked with veterans almost from the time of his disability discharge from the Air Force in 1945 until his untimely death of a heart attack in January of this year. Prior to 1945 he had served his country with distinction in World War II.

My bill has the full support of the Veterans' Liaison Council of Pinellas County, which has, in fact, submitted a resolution calling for the naming of the hospital after Mel Dixon. For the benefit of my colleagues who may not know the respect with which Mel Dixon was held in Florida, I ask unanimous consent that this resolution, a biographical sketch of Mel Dixon and a moving eulogy written about him by his friends and colleagues be printed in the RECORD at the conclusion of my remarks.

To quote from that eulogy, he thought "seldom of his enemies, often of his friends and every day of his opportunity to serve."

Mr. President, such dedication deserves recognition. By naming the new VA hospital after a man who spent his life in dedication to the well-being of his fellow veterans, I can think of no more fitting a tribute.

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

RESOLUTION

Whereas a new Veterans Administration Hospital is now under construction, and scheduled to be dedicated as a Veterans Hospital the latter part of this year 1972 at Tampa, Florida; and

Whereas The Honorable Melvin T. Dixon having served the State of Florida in the Department of Community Affairs, Division of Veterans Affairs, since his appointment on March 17, 1948, until his recent demise; and

Whereas during his term of office as State Service Officer for the State of Florida, he did initiate and brought to fruition, innovations within the program designed to the economic and social status for all veterans, their widows and orphans; and

Whereas Melvin T. Dixon was a gentleman of irreproachable morals and ethical principles with a deep compassion for his fellow men. To covet nothing that was his neighbors, to think seldom of his enemies, often of his friends, and everyday of his opportunity to serve. Therefore

Be it resolved that the Veterans Liaison Council of Pinellas County, incorporating into its Council Units of the World War I and World War II, The American Legion, AMVETS, The Disabled American Veterans, The Jewish War Veterans of the United States of America, The Marine Corps League, Military Order of the Purple Heart, Veterans of Foreign Wars, and other service organizations whose members have served their Country in time of war,

And we, do hereby respectfully request, and earnestly urge that you exercise your high office in naming this new hospital "The Melvin T. Dixon Memorial Veterans Administration Hospital", so that his name will always be an inspiration to all, and further preserve his memory as an outstanding example to those others who have dedicated their lives and careers to the service for the veteran, his dependents and orphans, and be it further resolved that copies of this Resolution be submitted to the following:

The Honorable Donald E. Johnson, Administrator of the Veterans Administration.

The Honorable Congressional Delegation of Florida.

The Honorable Members of the Board of County Commissioners.

To the Membership of the various Civic Clubs.

To the News Media.

And to the widow, Mildred Howell Dixon and children, Sarah Celia, Mary Kathleen, and Michael Howell.

ABE BAKER,
President, the Veterans Liaison Council of Pinellas County, Fla.

MELVIN T. DIXON, 1917–72

Melvin T. Dixon was born in Nashville, Tennessee on May 30, 1917, fourth of 5 children of Sarah and James Dixon.

He received his education in the State of Tennessee where he attended the University of Tennessee, which was interrupted by World War II.

Mel enlisted in the United States Air Force on April 21, 1941, and retired as a 1st Lt. from service due to disabilities incurred in service on February 13, 1945.

March 1, 1945, Mel was employed by the Veterans Administration as a Contact Representative in the St. Petersburg Florida Regional Office, training new contact representatives. He resigned on April 14, 1946.

On April 15, 1946, Mel accepted a position with the then Florida Department of Veterans Affairs, under David L. Wylie, State Service Officer, as a Claims Specialist.

In 1947, he was named Asst. State Service Officer. On March 17, 1949, David L. Wylie passed away and Mel was named Director and held that position until his untimely passing on January 7, 1972.

Upon assuming the duties as Director, he was named the Department Service Officer for The American Legion.

When Florida State Agencies were reorganized, the Department of Veterans Affairs became the Division of Veterans Affairs under the Department of Community Affairs. Mel became the Director, and the name State Service Officer was deleted from file but not from rank.

Mel has held the following positions and served on numerous veterans committees: Past President of the American Legion Service Officers Association; Past President of the National Association of State Directors of Veterans Affairs; Past President of the Southern Governors' Veterans Advisory Council; Past President of the Southeastern Service Officers Association and a member of President Johnson's Advisory Council 1967–68. Mel has also served on committees both local and statewide such as The Governors Employ of the Handicapped; Geriatrics Seminars; The Governors Action Task Force and the Veterans Liaison Council.

Mel was a much sought after speaker. He was a first come first served speaker. As to the size of a post, organization or any other group, it did not matter who called first, he committed himself to that organization.

Mel was married to the former Mildred Howell and had 2 daughters, Sarah Cecelia and Mary Kathleen and one son Michael Howell.

Melvin T. Dixon passed away on January 7, 1972 of a heart attack.

"WE SAY"

He was a man who lived by a challenge; this challenge gave him work to do, a job that he could call his own, where he could both lose himself and find himself in the daily job of doing it. Where his hands would not be tied nor his talents cramped, where his spirits would not be dwarfed by selfishness and greed and where he could breathe the pure sweet air that was his birth right. It gave him a job where opportunities reached outward and upward to the blue skies above, where his loved ones and he would never know confining boundaries or limited horizons; a job where he could earn a decent, honest living and realize just compensation for hard work. A job where he never felt the crippling chains of another's favor.

It gave him the work to do among his fellow men where he could feel at the setting sun that he had given a bit of happiness to a troubled world. That he had eased the load of his brothers' shoulders; that in some way he had brought peace and quiet to fearful hearts.

It gave him work to do, a job where he could be glad of life because it gave him the chance to love and to work and to play and to look up at the stars to be satisfied with his possessions; but not content with himself until he had made the best of them; to despise nothing in the world, except falsehood and meanness and to fear nothing except cowardliness. To covet nothing that was his neighbor's except his kindness of heart and gentleness of manner; to think seldom of his enemies, often of his friends, and every day of his opportunity to serve.

And at last, it gave him the courage to take the job and do it well, for only in so doing could he expect to find his own untarnished happiness.

And this is the challenge by which he lived his life. For this kind of challenge in the daily struggles of life there are no medals, and no decorations, but it has enshrined him in the hearts of a vast host of friends and associates.

As State Service Officer, Melvin T. Dixon's scholarship in veterans affairs, his seriousness of purpose, and his sincere dedication in perpetuating the commitments this State and Nation has made to its veteran population, have brought unparalleled prestige to the Veterans program. A gentleman of irreproachable moral and ethical principles and one with a deep compassion for his fellow man, Mel initiated and brought to fruition several innovations within the program designed to improve the economic and social status of veterans, their widows and orphans.

He simply stood up straight and tall, and bravely fought the foe; until one day God took his hand and said: "Come, my son, It's time to go."

By Mr. GURNEY (for himself and Mr. CHILES):

S. 3547. A bill to provide for orderly trade in fresh fruits and vegetables, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. GURNEY. Mr. President, the bill that my colleague from Florida (Mr. CHILES) and I are introducing today deals with a serious problem confronting the U.S. fruit and vegetable industry.

In the past 10 years, imports of foreign-produced fresh fruits and vegetables have increased to the point where they are having a major impact on the domestic produce industry.

In my own State of Florida, for example, starting in 1961, the volume of tomatoes imported from Mexico has steadily increased.

Imports of fresh fruits and vegetables from Mexico alone reached 155 million in 1971 and are expected to go even higher in 1972.

Every week, carloads of Mexican tomatoes flood the market without notice causing prices of domestic products to drop and bringing farmers in Florida to the verge of bankruptcy.

Moreover, this unregulated increase in volume of foreign imports throws the farm labor situation into chaos. At best, agricultural workers are never far removed from economic insufficiency and the present pattern of imports hurts them greatly.

The Homestead Housing Authority, an organization charged with the responsibility for housing about 50 percent of the migrant agricultural workers in Florida, has stated that:

> The stabilization of migrant housing and migrant people's income to pay rent isn't easy even under orderly market conditions because of the nature of highly perishable vegetables.

It is nearly impossible under the wide open export situation existing today.

Our Government must direct its efforts toward achieving reasonable agreements with trading partners and back them with an effective import quota law.

The Fresh Fruits and Vegetables Market-Sharing Act of 1972 is designed to promote these objectives. It provides that the total exports to the United States during the season would not exceed an agreed upon level based upon volume of shipment during a representative period.

The President would have full authority to determine the share of total imports using as a basis such things as: Historical patterns of imports, our balance of payments and trade situation, the economic status, underdeveloped nations and other factors affecting trade. Under terms of this bill, he could also limit the quantity of imports from any country which does not choose to enter into a trade agreement with us.

Under this act imports would receive a proportionate share of additional market demand in the event of U.S. crop shortages.

The enactment of this legislation will establish an equitable and orderly marketplace, consistent with the maintenance of a strong and expanding U.S. economy. It is designed to avoid the present threat of disruption in the domestic market for fresh fruit and vegetables—a threat that warrants corrective action without further delay.

By Mr. TOWER:

S. 3549. A bill to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under servicemen's group life insurance for such members and certain members of the Retired Reserve up to age 60. Referred to the Committee on Armed Services.

Mr. TOWER. Mr. President, I am introducing today a bill to provide full-time coverage, under the servicemen's group life insurance program (SGLI), for members of the Reserve components of our Armed Forces, and certain members of the Retired Reserve.

Some weeks ago, I introduced a bill which would provide enlistment and reenlistment bonuses for members of the Reserve and Guard. The following week, I introduced a bill to credit officers with the years spent in a service academy or advanced ROTC program. These bills and the one I am proposing today are designed to encourage men to join and to remain in these Reserve components.

President Nixon has committed this Nation to the attainment of an all-volunteer force by mid-1973. At present, it appears that the active duty forces will not have difficulty in meeting their manpower needs for the near future. Although the quality of volunteers may prove less than we desire, we should be able to enlist an adequate number of men for active duty. The picture for the Reserve components, however, is somewhat more grim. Strengths, which had been 45,000 below congressionally authorized floors in December 1971, dropped further in January to 49,000 below.

Clearly, action needs to be taken immediately if we are to reverse this alarming trend. This bill combined with my earlier ones, is designed to help alleviate this problem. This bill extends full-time servicemen's group life insurance (SGLI) to certain members of the Ready and Retired Reserves. Specifically it would:

First, extend full-time coverage under SGLI to those members who voluntarily participate in Ready Reserve programs requiring a minimum of 12 active duty training periods annually. These periods must be creditable for retirement purposes;

Second, extend full-time coverage to persons assigned to, or eligible for assignment to, the Retired Reserve provided they have completed 20 years of service creditable for retirement;

Third, automatically insure those members against death for $5,000, $10,000, $15,000 if they so desire;

Fourth, continue coverage from the Ready Reserve to the Retired Reserve if the member has 20 years of creditable service;

Fifth, provide coverage to members of the Retired Reserve who are assigned to the Retired Reserve before the date on which this bill becomes effective (until age 61);

Sixth, provide for conversion to an individual policy for members of the Ready Reserve, but not the Retired Reserve;

Seventh, require contribution from the military personnel appropriation and the Government share of SGLI; and

Eighth, authorize the Administrator of the Veterans' Administration to administer this program.

If we are to rely more heavily upon the Reserve components now that active duty strengths have been reduced, those components must be strong; however, they cannot be strong without the manpower necessary to man modernized equipment. I hope this bill will help make service in the Reserves more attractive, and, thus, indirectly strengthen them.

By Mr. SCHWEIKER:

S. 3551. A bill to amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses Referred to the Committee on Commerce.

BROADCAST LICENSE ACT OF 1972

Mr. SCHWEIKER. Mr. President. I introduce today the Broadcast License Act of 1972.

This bill contains two provisions: First, it extends the licensing period for radio and television broadcasting stations from a 3-year term to a 5-year term; and second, it establishes by law that the performance of an existing licensee shall be a primary test for the Federal Communications Commission to consider during license renewal proceedings.

This bill is identical to H.R. 12018 introduced in the House of Representatives by Representative JAMES T. BROYHILL, and I am hopeful that both bodies of Congress can move simultaneously to pass this important measure.

The two provisions of the Broadcast License Act of 1972 should be considered together by the Congress because they are companion measures serving a single objective: to further the greatest responsiveness to the public interest through responsible broadcasting.

Under these changes, all requirements and standards imposed now by the Federal Communications Commission on broadcasting licensees, and any new programing policies and guidelines initiated in the future by the FCC, must still be strictly adhered to by broadcasting stations. Presentation of public issues, responsiveness to all elements of a licensee's community, "fairness", and many other FCC requirements of broadcasting licensees in carrying out their duty to serve the public interest, will still be required under a 5-year license term, and under the test of good-faith performance for evaluation of license renewal applications.

Mr. President, many stations are already doing an outstanding job in representing the broad public interest in a complex era. I have spoken with many station owners and managers conducting their license renewal surveys of the needs of their local communities and have been impressed by the depth and quality of the public interest attitudes and activities of these broadcasters.

However, just as we demand that broadcast licensees remain responsive to the changing needs of society and of their respective communities, so must we in Congress insure that our laws and requirements are equally responsive to modern conditions. The 3-year broadcast license term was first imposed by the Congress in 1927, nearly a half-century ago. Television was just an idea at that time. I think it is fair for us to seriously reevaluate at this time whether this particular license term is still the most effective way to insure that our

limited airwaves are utilized in the public interest in an era of a communications explosion.

I am fearful that because of the short duration of the 3-year license term, along with the many requirements of the licensee to serve the public interest in the complex era we now live in, that a disproportionate amount of time and energy is now being expended on the administrative license renewal process itself. Broadcasting stations barely begin operating under their license when they have to begin preparing forms and other data for their license renewal application. I feel that under a 5-year license term, Congress and the FCC can impose the same high public service requirements as under the current 3-year term. Likewise, any person or organization in a community desiring to challenge a broadcasting station's performance during the license renewal period will have the same opportunity to do so after a 5-year term as after a 3-year term.

In fact, I feel the 5-year license term would enable a station to make longer-range commitments, and provide even better service to its community. In addition, the FCC would have considerably less of an annual work-load, since it would only have to evaluate the licenses in one-fifth of the States each year, instead of the current one-third, and more attention could be paid to the quality of performance of all existing licensees.

Similarly, with the many public service requirements that have been added as policies by the FCC in recent years, I think it is even more incumbent on us to insure that the actual performance of a broadcasting station be the paramount consideration in license renewal proceedings.

We must be conscious of the enormous investment that is now required by a broadcasting station, in both manpower and sophisticated equipment, and also of the fact that public policy asserts that these stations be private business enterprises with public responsibilities. Congress has made important contributions to the development of public broadcasting, with my support, but we have specifically declared that public broadcasting is only one alternative to commercial broadcasting, and not a substitute for it. Accordingly, we cannot demand increased responsiveness to the public interest by privately owned broadcasting stations, a policy which I support, without at the same time taking cognizance of the economic investment that is required to support and carry out this public interest programing.

Passage of this bill can be an important contribution to the public interest, and the broadcasting industry's obligations to serve the public interest. I urge speedy consideration by the Congress.

By Mr. FANNIN (for himself, Mr. BENNETT, Mr. GOLDWATER, Mr. CANNON, Mr. DOMINICK, Mr. BIBLE, and Mr. MOSS):

S. 3553. A bill to amend the Taylor Grazing Act to increase the amount of certain revenue returned to the State. Referred to the Committee on Interior and Insular Affairs.

Mr. FANNIN. Mr. President, today, with other Senators, I am introducing a bill that would amend section 10 of the Taylor Grazing Act.

At the present time, section 10 of the Taylor Grazing Act allows for 12½ percent of the grazing fees collected to be returned to the States. Section 15 of the Taylor Grazing Act allows a 50-percent return to the States for lands which are isolated tracts of Bureau of Land Management public domain. It is my feeling that lands which come under section 10 should also receive a return to the States of 50 percent.

The basic resource upon which the Western States have developed economically is drived from the productivity and use of the land. Use of these fees for improvements would provide increased environmental protection as well as increase the productivity of these lands. It will also aid the ranchers in meeting demands for more meat at lower costs.

By Mr. COOK (by request):

S. 3555. A bill to encourage and assist States and localities to coordinate their various programs and resources available for the prevention, treatment, and control of juvenile delinquency, and for other purposes. Referred to the Committee on the Judiciary.

Mr. COOK. Mr. President, on March 30 I introduced a bill to amend and extend the Juvenile Delinquency Prevention and Control Act of 1968.

Today, by request, I am introducing the administration's Comprehensive Youth Services Act of 1972 which would replace the 1968 legislation.

Although I have introduced my own bill, I am also introducing the administration bill because the objectives of both are similar. Both of these proposals would authorize the establishment of youth services systems which are intended to foster program coordination and integration through joint planning and joint operation by health, education, and other agencies within a geographic area which provide services to delinquent youth and those in danger of becoming delinquent.

During this last year, HEW's Youth Development and Delinquency Prevention Administration has been redirecting its program toward the development of these youth service systems to the extent possible under the existing law. Twenty-three of these systems have been funded, and 10 more will be operational in the near future. In each of these systems YDDPA has demonstrated an ability to pull together a broad range of services as well as to obtain additional funding sources. Some of the services being provided in the systems are job training, health services, drug abuse programs, and dropout prevention programs. YDDPA's initial grant has been multiplied by as much as 10 times in some of the systems, with the additional funding coming from other Federal agencies such as the LEAA as well as the State and local agencies.

Until YDDPA's efforts to develop comprehensive youth services systems, there had not been any major attempts to coordinate at the community level existing health, education, and social services programs dealing with the problems of delinquency. Consequently, a needy youth would be required to go to several different agencies to receive the proper services. Under these circumstances, the youth is unlikely to receive the right service at the right time and may not receive any services at all.

The bill provides that the youth services systems will be established outside of the juvenile justice systems, with YDDPA's goal being the diversion of youth from the courts and law enforcement agencies. The fact that there is between 50 and 80 percent recidivism within our juvenile justice system is evidence that the juvenile justice and correctional system alone cannot meet the problems of delinquency. During the past year, YDDPA has demonstrated the ability to develop youth services systems and to bring together the kinds of services which are necessary to prevent delinquency and divert youth from the juvenile justice system. I believe that this approach, also utilized in my own Juvenile Delinquency Prevention Control Act Amendments of 1972 should be continued.

Mr. President, I ask unanimous consent that the summary of the proposed Comprehensive Youth Services Act of 1972 and the full text of the bill be printed in the RECORD at this point.

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

SUMMARY OF THE PROPOSED COMPREHENSIVE YOUTH SERVICES ACT OF 1972

Section 1 provides the short title of the bill: the "Comprehensive Youth Services Act of 1972".

Section 2 of the bill contains the Congressional declaration of findings and purpose.

Section 3 of the bill defines several key terms. The "comprehensive youth services systems" for which grants are authorized in the bill are defined as coordinated systems, separate from the system of juvenile justice, for providing youth services to individuals who are delinquent or in danger of becoming delinquent. The systems would be designed for the purposes of, among others, facilitating accessibility to youth services and improving the effectiveness of youth services.

Section 4(a) of the bill would authorize the Secretary, during fiscal year 1973, 1974, and 1975, to make grants to, or contracts with, any public or nonprofit private agency or organization to cover, for not more than one year, all or part of the cost of establishing or operating a comprehensive youth services system. Expenses which would be covered by payments under such grants or contracts would include those of providing youth services necessary to the success of the comprehensive youth services system which are not being adequately provided in the community and for which funds are not available from other sources and of training personnel who are employed in the system.

Section 4(b) of the bill would authorize the Secretary, during fiscal year 1974 and each of the next three fiscal years, to make supplemental grants or contracts to recipients of financial assistance under subsection (a) to cover, for a period not exceeding two years, part of the cost of any activity covered under subsection (a).

Section 4(c) of the bill would establish several conditions necessary for the approval of an application for a grant or a contract. One such condition would be that the appli-

cant have the necessary capability to develop and operate a comprehensive youth services system. Another condition would be that in any year for which applicants receive supplemental assistance they must cover, from their own resources, a greater proportion of the cost of the activities for which they are receiving such assistance than in the preceding year. It is the intention that after no more than three years, the applicants would be able to insure the continuation of youth services systems without financial assistance under this legislation.

Section 4(d) of the bill would require that an application for a grant or a contract under section 4 by an agency or organization other than an Indian tribe be submitted to the Governor of the State in which the project is proposed to provide him with an opportunity to review and comment on it. In the case of an application by an Indian tribe, the Secretary of the Interior would be provided with an opportunity to review and comment on it.

Section 4(e) of the bill would require that in making grants or contracts under section 4, preference be given to units of general purpose local government.

Section 5 of the bill would provide for payments to be made under grants or contracts made under section 4 of the bill.

Section 6 of the bill would authorize the Secretary to evaluate comprehensive youth services systems assisted under section 4 of the bill, to disseminate information concerning comprehensive youth services systems and research activities in the field of delinquency prevention and youth development, to provide technical assistance in the planning, establishment, or operation of comprehensive youth services systems, and to set aside not more than one percent of the appropriations under the Act for evaluation.

Section 7 of the bill would provide procedures for the joint funding of comprehensive youth services systems.

Section 8 of the bill would continue the authorization for the Interdepartmental Council for the Coordination of Federal Juvenile Delinquency Programs established by the Juvenile Delinquency Prevention and Control Act of 1968.

Section 9 of the bill would authorize appropriations for fiscal year 1973 and each of the following four fiscal years.

Section 10 of the bill would repeal the Juvenile Delinquency Prevention and Control Act of 1968 with respect to appropriations for fiscal year 1973 and thereafter.

S. 3555

A bill to encourage and assist States and localities to coordinate their various programs and resources available for the prevention, treatment, and control of juvenile delinquency, 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 "Comprehensive Youth Services Act of 1972".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that:

(1) Delinquency among the youth of this country continues to be a national problem.

(2) While much progress has been made in developing services which can assist in solving the problem of juvenile delinquency, obstacles to the effective provision of those services still exist.

(3) These obstacles often take the form of fragmentation among many agencies and organizations of the responsibility for providing services to juvenile delinquents and those in danger of becoming delinquent; structural rigidity and arbitrary categorization of Federal, State, and local programs; and lack of coordination and communication among agencies and organizations which provide services to youth.

(b) It is therefore the purpose of this Act to encourage and assist State and local agencies to enter into new cooperative arrangements and, where necessary, reorganize or reassign functions, in order to establish or operate comprehensive youth services systems which will—

(1) assist in the prevention of juvenile delinquency or the rehabilitation of youths who are delinquent;

(2) reduce alienation and promote the positive development of youth in ways which are meaningful and socially acceptable;

(3) improve the delivery of services to individuals who are delinquent or in danger of becoming delinquent; and

(4) serve as a model for the establishment or operation of similar systems in other geographic areas.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "youth services" means services which assist in the prevention of juvenile delinquency or in the rehabilitation of youths who are delinquent, including, among other services, the provision of individual and group counseling, family counseling, remedial education, tutoring, alternate schools (which, for purposes of this Act, means institutions or organizations which provide education to youths outside the regular school system), vocational testing and training, job development and placement, emergency shelters, halfway houses, hot lines (which, for purposes of this Act, means the provision of telephone access to emergency counseling), health services, drug abuse programs, social, cultural, and recreational activities, community awareness programs, foster home placement, and legal services.

(2) The term "comprehensive youth services system" means a coordinate system, separate from the system of juvenile justice (which encompasses agencies such as the juvenile courts, law enforcement agencies, and detention facilities), for providing youth services to an individual who is delinquent or in danger of becoming delinquent and to his family in a manner designed to—

(A) facilitate accessibility to and utilization of all appropriate youth services provided within the geographic area served by such coordinated system by any public or private agency or organization which desires to provide such services through such system;

(B) identify the need for youth services not currently provided in the geographic area covered by such system, and, where appropriate, provide such services through such system;

(C) make the most effective use of youth services in meeting the needs of young people who are delinquent or in danger of becoming delinquent or their families; and

(D) use available resources efficiently and with a minimum of duplication in order to achieve the purposes of this Act.

(3) The term "State" includes the District of Columbia, Guam, Puerto Rico, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands.

(4) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(5) The term "Governor" means the Governor of the State, in the case of any of the fifty States, and, in the case of the other States, the chief executive officer thereof.

(6) The term "unit of general purpose local government" means (A) a political subdivision of the State whose authority is broad and general and is not limited to only one function or a combination of related functions, or (B) an Indian tribal organization.

(7) The term "year" means any twelve consecutive calendar months.

ASSISTANCE FOR COMPREHENSIVE YOUTH SERVICES SYSTEMS

SEC. 4. (a) The Secretary may, during the period beginning with July 1, 1972 and ending with the close of June 30, 1975, make grants to, or contracts with, any public or nonprofit private agency or organization to cover, for not more than one year, part or all of the cost of (1) planning for the establishment of, establishing, or operating comprehensive youth services systems; (2) short-term training of personnel employed in connection with the operation of such systems or in connection with the provision of services through such systems; or (3) providing through such systems, either directly or through contractual or other arrangements, youth services which are necessary to the success of such systems, which are not being adequately provided in the community, and for which payment is not available from other sources.

(b) The Secretary may, during the period beginning with July 1, 1973 and ending with the close of June 30, 1977, make supplemental grants to, or contracts with, any public or nonprofit private agency or organization which was provided financial assistance for any period under subsection (a). Such supplemental grants or contracts may be made to cover, for a period not exceeding two years following the period for which assistance was provided under subsection (a), part of the cost of any activity for which assistance is authorized under subsection (a).

(c) A grant or contract may be made under subsection (a) only upon application therefor which—

(1) provides or is accompanied by assurances satisfactory to the Secretary that—

(A) the development of a comprehensive youth services system will be undertaken in a manner which will afford adequate opportunity for recipients of youth services and public or private agencies or organizations providing one or more youth services within the geographic area to be served by the applicant to present their views to the applicant with respect to such development;

(B) the applicant has the necessary capability to develop and operate a comprehensive youth services system;

(C) the applicant will provide such information as the Secretary determines to be necessary for carrying out the purposes of the Act, including information obtained pursuant to procedures established in accordance with clause (2)(D) of this subsection, information which will enable the Secretary to evaluate the benefits of the comprehensive youth services systems, and information which will enable the Secretary to determine the desirability of encouraging the establishment of similar systems in other communities; and

(D) in any year for which the applicant receives supplemental assistance under section 4(b), a greater proportion of the cost of the activities for which the applicant receives assistance under section 4 will be covered from resources other than payments under this Act than was covered from such sources in the preceding year; and

(2) includes a description of—

(A) the functions and services which will be coordiated by the applicant;

(B) the administrative efficiencies which will be achieved in the delivery of youth services by such coordination;

(C) the procedures which will be established for protecting the rights, under Federal, State, or local law, of the recipients of youth services provided under the comprehensive youth services system to be developed by the applicant, and for insuring appropriate privacy with respect to records relating to such services; and

(D) the procedures which will be established for evaluating such system; and

(3) includes such other information as the Secretary determines to be necessary for carrying out the purposes of this Act.

(d) Except in the case of an application by an Indian tribal organization, no grant

or contract may be made under subsection (a) unless the application therefor has first been submitted to the Governor of the State in which the comprehensive youth services system is to be established in order to provide him with an opportunity (in accordance with regulations of the Secretary) to review and comment upon such application. In the case of an application by an Indian tribal organization, no grant or contract may be made under subsection (a) unless the application therefor has first been submitted to the Secretary of the Interior in order to provide him with an opportunity (in accordance with regulations of the Secretary) to review and comment upon such application.

(e) In making grants or contracts under subsection (a), the Secretary shall give preference to agencies of units of general purpose local government.

PAYMENTS

SEC. 5. Payments under grants or contracts made under section 4 may be made (after necessary adjustment on account of previously made overpayments or underpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

EVALUATION AND TECHNICAL ASSISTANCE

SEC. 6. (a) The Secretary may, directly or by grant or contract, evaluate comprehensive youth services systems assisted under section 4 in order to determine the achievements of such systems and the efficiency and effectiveness of the youth services provided on a coordinated basis thereunder. In addition to funds otherwise available therefor, such portion of any appropriation to carry out this Act as the Secretary may determine, but not in excess of one per centum thereof, shall be available to him for carrying out this subsection.

(b) The Secretary may disseminate the results of the evaluations conducted under subsection (a), as well as other information concerning comprehensive youth services systems and significant findings of research activities in the field of delinquency prevention and youth development, to interested agencies, organizations, and individuals.

(c) The Secretary may provide, directly or by grant or contract, such technical assistance as he determines to be necessary to assist public or nonprofit private agencies or organizations in the planning, establishment, or operation of comprehensive youth services systems or in the provision of youth services.

JOINT FUNDING

SEC. 7. Pursuant to regulations prescribed by the President, where funds are advanced for a comprehensive youth services system by more than one Federal agency to an agency or organization assisted under this Act, any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each Federal agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) regardless of whether such requirement is imposed by statute or by regulation, if such requirement is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose. Nothing in this section shall be construed to authorize the expenditure of Federal funds for purposes other than those for which they were appropriated.

INTERDEPARTMENTAL COUNCIL

SEC. 8. (a) There shall be an Interdepartmental Council on Juvenile Delinquency (hereinafter in this section referred to as the "Council") composed of the Attorney General, the Secretary of Health, Education, and Welfare, and the representatives of such other departments or agencies as the President may designate.

(b) The functions of the Council shall be to coordinate all Federal activities in the field of juvenile delinquency.

(c) The Chairman of the Council shall be appointed by the President.

(d) The Council shall submit to the President an annual report which shall contain, among other things, a description of the activities of the Council and of the activities relating to juvenile delinquency of the Federal departments and agencies.

APPROPRIATIONS AUTHORIZATION

SEC. 9. There are authorized to be appropriated for the fiscal year ending June 30, 1973, and for each of the next four fiscal years, such sums as may be necessary for carrying out this Act.

REPEALER

SEC. 10. With respect to appropriations for fiscal years beginning after June 30, 1972, the Juvenile Delinquency and Control Act of 1968, other than section 407 thereof, is repealed. Section 407 of such Act is repealed effective with the close of June 30, 1972.

By Mr. MOSS:

S. 3556. A bill to amend the Public Health Service Act to provide for in-service training of nursing home personnel. Referred to the Committee on Labor and Public Welfare.

NURSING HOME PERSONNEL IN-SERVICE TRAINING ACT

Mr. MOSS. Mr. President, today I am introducing a bill which I call the Nursing Home Personnel In-Service Training Act. This bill represents an important step overcoming the significant problems in nursing homes which are caused by or related to the dependence on untrained nursing personnel.

There are well over 500,000 nursing home employees in the United States, the bulk of them being untrained aides and orderlies. Since these individuals are paid the minimum wage to perform perhaps the most difficult job in the world it is understandable why the turnover rate for these occupations is near the 75-percent level.

I would be the first to point out that most of these employees work hard and attempt to ease the burdens of the infirm elderly. However, there are too few of these nurses aides to care properly for the needs of the elderly. This is particularly true since so few of them receive any sort of training for their work.

The example provided by the investigator of the Better Government Association who testified at our Chicago hearings is classic. He applied for a job as a janitor at a Chicago nursing home and within 20 minutes was at work passing medications with the keys to the narcotics cabinet on his belt.

Testimony from several of our hearings substantiates these conclusions: First, nursing homes are desperate for personnel but can only offer the minimum wage which results in the enigma of comparative ease in obtaining employment at a nursing home accompanied with a high turnover rate; second, physicians for all intents and purposes have abandoned nursing homes; third, some 90 percent of the medical care in nursing homes is given by the nursing personnel; fourth, the charge nurse, be she RN or an LPN, is busy with paperwork and administrative responsibilities, thus it is these same untrained aides and orderlies who are called upon to provide the medical care in nursing homes.

For all of these reasons it is in the direct interest of the people of the United States to provide some training programs for nursing home personnel. President Nixon has proposed the short-term training of 20,000 of these personnel this year and for the training of 21,000 more next year.

I suggest that this is a minimal and unacceptable effort. In an industry of 500,000 or more employees the training of 20,000 a year would be a mere drop in the bucket even if the training were meaningful. I suggest that the Nixon training program is far from meaningful. Although it has not been generally announced I have been informed that these short-term training courses will be a total of 3 days long. That is short term indeed.

My bill, which addresses this important problem, provides grants of up to $100,000 to assist public and nonprofit private schools of nursing to meet the costs of developing in-service training programs—not to exceed 6 months—for nurses aides and orderlies in nursing homes. I have asked for an appropriation of $1 million a year for this effort for the next 2 years. I am hopeful that this bill can be enacted in the near future.

By Mr. TOWER:

S. 3557. A bill relating to the Federal Prison Industries and prison-made products. Referred to the Committee on the Judiciary.

Mr. TOWER. Mr. President, I am today introducing a measure to modify the Federal Prison Industries Act to protect private business firms against unfairly priced products that are produced by the Federal Prison Industries. While it is desirable to put the time of convicts to some socially and economically beneficial use, the Government should not be subsidizing the production of goods which are in production in the private sector. The full costs of producing the prison goods should be assessed against them, so that they are not placed in a position of competitive advantage as against private, taxpaying business firms.

My bill would specify the costs to be allocated to prison goods, and the circumstances under which the Government may procure goods from the Federal Prison Industries. This will tend to place the emphasis in Federal Prison Industries on the production of goods and services in which private suppliers are inefficient or nonexistent, since in most circumstances Federal Prison Industries cannot compete against an efficiently run business firm. However, there are certainly many areas of public service, and also areas where private goods and services are inadequate, in which the Federal Prison Industries can engage its resources.

This bill will only attempt to prevent the inequitable tax-supported competi-

tion of these industries against the taxpaying business firm.

By Mr. TUNNEY:

S. 3558. A bill to provide for increases in the readjustment allowances of Peace Corps volunteers and volunteer leaders, and to provide for the depositing of such allowances in savings accounts. Referred to the Committee on Foreign Relations.

INCREASE IN PEACE CORPS READJUSTMENT ALLOWANCE

Mr. TUNNEY. Mr. President, I am pleased to take this opportunity to introduce legislation which would increase the readjustment allowance which is currently provided to return Peace Corps volunteers.

In the past 11 years, more than 50,000 Americans have served their country and the peoples of the world's less-developed nations as Peace Corps volunteers.

The hardships of life in an often primitive post have been accepted without complaint by the volunteers. But today I would like to identify the hardships that we have unwittingly added to a volunteer's life upon his return to the United States.

Eleven years ago, Congress established a "readjustment allowance" of $75 a month to be paid to volunteers in addition to their living expenses overseas. This allowance is subject to Social Security payments and to Federal and State income taxes. From this allowance, the volunteer must pay accident and life insurance premiums and other necessary expenses, such as loan payments, support for dependents at home, and union dues. The remainder, which is withheld by the Government without payment of interest until the volunteer completes his 2-year service, is intended to provide the returned volunteer with funds until he can reestablish himself at school or in a job.

The volunteer, significantly, is excluded from State and Federal unemployment compensation benefits and is not entitled to veteran's benefits. The volunteer normally needs to obtain medical insurance and a new wardrobe upon his arrival home. He is immediately confronted with the expenses of daily living as well as with those of seeking employment or admission to a university. The readjustment allowance is, consequently, of crucial importance to the volunteer upon his return.

Today the readjustment allowance is still $75 a month. I think it is time for a change.

In those 11 years, the Consumer Price Index has risen by almost 40 percent while per capita personal income has risen by close to 75 percent. The job market has, of course, grown tighter in recent years. A survey just completed in my State by the Southern California Peace Corps Service Council indicates that the average volunteer spends 3 months unemployed while looking for his first job.

Surely we owe these returned volunteers better treatment than this.

Today I am introducing legislation to correct this situation by increasing the readjustment allowance for Peace Corps volunteers to $125 per month.

I recognize, Mr. President, that this increase ought to go into effect in fiscal year 1973, but that the budget for fiscal year 1973 would preclude this increase without tampering with it elsewhere. Accordingly, my amendment will go into effect, if passed, in fiscal year 1974. It should be clear to everyone that an allowance which was reasonable in 1961 is no longer sufficient in 1972, let alone in 1973 and 1974, certainly, the fiscal 1974 budget should reflect this necessity.

Today I am introducing legislation to correct this situation by increasing the readjustment allowance for Peace Corps volunteers to $125 per month.

Mr. President, I ask unanimous consent that the text of the bill may be printed in the RECORD at this point.

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

S. 3558

A bill to provide for increases in the readjustment allowances of Peace Corps volunteers and volunteer leaders, and to provide for the depositing of such allowances in savings accounts

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5(c) of the Peace Corps Act is amended by striking out "75" and inserting in lieu thereof "$125."

(b) Section 6(1) of such Act is amended by striking out "$125" and inserting in lieu thereof "$150."

SEC. 2. Section 10 of the Peace Corps Act is amended by adding at the end thereof the following new subsections:

"(h) Upon written request of a volunteer or volunteer leader, the President shall deposit on behalf of that volunteer or volunteer leader, in a savings account of a Federally insured bank or savings and loan association, the amounts of the readjustment allowance which the volunteer or leader is entitled to receive for each month of satisfactory service performed by him. Each such amount shall be deposited promptly after the end of each month of satisfactory service. Interest earned on the amounts so deposited shall be paid at the same times, and to the same persons, as the amounts of such allowance are paid. Prior to the commencement of each period of service with the Peace Corps for which a volunteer or volunteer leader is entitled to receive a readjustment allowance, the Volunteer or leader shall be informed with respect to the provisions of this subsection and acknowledge in writing that he has been so informed.

"(i) Each time that the rates of basic pay of employees paid under statutory pay systems are increased under subchapter I of chapter 53 of title 5, United States Code, the rate of any allowance provided under section 5(b) or (c) or section 6 (1) of this Act shall be increased by a percentage equal to that average percentage of increase, as determined by the President, as the rates of basic pay of such employees are increased. Any increase in such allowances shall be effective on the first day of the month in which the increased rates of basic pay of such employees are effective."

SEC. 3. (a)(1) The amendments made by the first section of this Act are effective on the first day of the first full calendar month commencing on or after the date of enactment of this Act.

(2) Subsection (i) of section 10 of the Peace Corps Act, as added by section 2 of this Act, shall apply with respect to any increase, effective on or after the first day of the second full calendar month commencing on or after such date of enactment, in the rates of basic pay of employees paid under statutory pay systems under subchapter I of chapter 53 of title 5, United States Code.

(b) Subsection (h) of section 10 of the Peace Corps Act, as added by section 2 of this Act, shall be effective on the first day of the first full calendar month occuring at least 30 days after the date of enactment of this Act. Any individual who is a volunteer or volunteer leader within the meaning of the Peace Corps Act on the effective date of such subsection (h), who makes a written request in accordance with the amendment made by such section, may also request (and he shall be informed that he may make such additional request) that any amount of the readjustment allowance which he is entitled to receive and which has not yet been paid shall also be deposited in a savings account.

By Mr. FULBRIGHT (by request):

S. 3560. A bill to facilitate compliance with the treaty between the United States of America and the United Mexican States, signed November 23, 1970, and for other purposes. Referred to the Committee on Foreign Relations.

AMERICAN-MEXICAN BOUNDARY TREATY ACT OF 1972

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to facilitate compliance with the treaty between the United States of America and the United Mexican States, signed November 23, 1970, and for other purposes.

The bill has been requested in a letter to the Vice President from the Assistant Secretary of State for Congressional Relations and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State to the Vice President dated March 9, 1972, and the comments on the bill.

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

S. 3560

A bill to facilitate compliance with the treaty between the United States of America and the United Mexican States, signed November 23, 1970, 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 "American-Mexican Boundary Treaty Act of 1972."

TITLE I—AUTHORIZATION FOR CARRYING OUT TREATY PROVISIONS

SEC. 101. In connection with the treaty between the United States of America and the United Mexican States to resolve pending boundary differences and maintain the Rio Grande and the Colorado River as the international boundary between the United States of America and the United Mexican States, signed November 23, 1970, the Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico, is authorized—

(a) to conduct technical and other inves-

tigations relating to: the demarcation, mapping, monumentation, channel relocation, rectification, improvement and stabilization, and other matters relating to the preservation of the river boundaries between the United States and Mexico; the establishment and delimitation of the maritime boundaries in the Gulf of Mexico and in the Pacific Ocean; water resources; the sanitation and the prevention of pollution.

(b) to acquire by donation, purchase, or condemnation, all lands or interests in lands required—

(1) for transfer to Mexico as provided in said treaty;

(2) for construction of that portion of new river channels and the adjoining levees in the territory of the United States;

(3) to preserve the Rio Grande and the Colorado River as the boundary by preventing the construction of works which may cause deflection or obstruction of the normal flow of the rivers or of their flood flows.

(4) for relocation of any structure or facility, public or private, the relocation of which, in the judgment of the said Commissioner is necessitated by the project.

(c) to remove, modify, or repair the damages caused to Mexico by works constructed in the United States which the International Boundary and Water Commission has determined have an adverse effect on Mexico, or to compensate Mexico for such damages.

SEC. 102. The United States Commissioner is authorized to enter into contracts with the owners of properties to be relocated whereby such owners undertake to perform, at the expense of the United States, any or all operations involved in said relocations; to construct, operate and maintain all works provided for in said treaty and/or Title I of this Act; and to turn over the operation and maintenance of any such works to any Federal agency, or any State, County, municipality, district, or other political subdivision within which such project or works may be in whole or in part situated, upon such terms, conditions, and requirements as the Commissioner may deem appropriate.

SEC. 103. Notwithstanding any other provision of law, the United States Commissioner is authorized to dispose of by warranty deed, or otherwise, any land acquired by the United States Commissioner on behalf of the United States, or obtained by the United States pursuant to treaty between the United States and Mexico, and not required for project purposes, under procedures to be formulated by the United States Commissioner, to adjoining land owners at such price as he considers fair and equitable, and, if not so disposed of, to turn said land over to the General Services Administration for disposal under the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

SEC. 104. When a determination must be made under the treaty whether to permit a new channel to become the boundary, or whether or not to restore a river to its former channel, or whether, instead of restoration, the Governments should undertake a rectification of the river channel, the United States Commissioner's decision, approved by the Secretary of State, shall be final so far as the United States is concerned, and the United States Commissioner is authorized to construct or arrange for the construction of such works as may be required to give effect to that decision.

SEC. 105. Land acquired or to be acquired by the United States of America in accordance with the provisions of said treaty, including the tract provided for in section 106, shall become a geographical part of the State to which it attaches and shall be under the civil and criminal jurisdiction of said State, without affecting the ownership of said land. The addition of land and the ceding of jurisdiction to a State shall take effect upon acceptance by said State.

SEC. 106. Upon transfer of sovereignty from Mexico to the United States of the 481.68 acres of land acquired by the United States from Mexico near Hidalgo-Reynosa, administration over the portion of that land which is determined by the United States Commissioner, International Boundary and Water Commission, not to be required for the construction and maintenance of the relocated river channel shall be assumed by the Department of the Interior; and the Department of the Interior, Fish and Wildlife Service, Bureau of Sport Fisheries and Wildlife is authorized to plan, establish, develop and administer said portion of the acquired lands as a part of the National Wildlife Refuge System.

SEC. 107. The Tariff Act of 1930 (46 Stat. 590) as amended, shall be further amended as follows:

(1) The heading of Section 322 shall be amended to read: "International Traffic and Rescue Work; United States-Mexico Boundary Treaty of 1970";

(2) Paragraph (b) of Section 322 shall be amended by striking the work "and" at the end of subparagraph (2); by striking the period at the end of subparagraph (3) and inserting "; and" in lieu thereof; and by adding a new subparagraph to read:

"(4) Personal property reasonably related to the use and enjoyment of a separated tract of land as described in Article III of the Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary between the United States of America and the United Mexican States signed on November 23, 1970."

SEC. 108. There is authorized to be appropriated to the Department of State for the use of the United States Section of said Commission such sums as may be necessary to carry out the provisions of said treaty and Title I of this Act.

TITLE II—PRESIDIO FLOOD CONTROL PROJECT

SEC. 201. The Secretary of State, acting through the United States Commissioner, International Boundary and Water Commission, United States and Mexico, is hereby authorized to conclude with the appropriate official or officials of the Government of Mexico an agreement for a coordinated plan by the United States and Mexico for International flood control works for protection of lands along the international section of the Rio Grande in the United States and in Mexico in the Presidio-Ojinaga Valley.

SEC. 202. If an agreement is concluded pursuant to Section 201, Title II of this Act, the United States Commissioner is authorized to construct, operate and maintain flood control works located in the United States having substantially the characteristics described in "Report on the Flood Control Project Rio Grande, Presidio Valley, Texas", prepared by the United States Section, International Boundary and Water Commission, United States and Mexico; and there are hereby authorized to be appropriated to the Department of State for the use of the United States Section of said Commission such sums as may be necessary to carry out the provisions of Title II of this Act. No part of any appropriation under this section shall be expended for flood control works on any land, site, or easement unless such land, site, or easement has been acquired under said treaty for other purposes by or donation and, in the case of a donation, the title thereto has been approved in accordance with existing rules and regulations of the Attorney General of the United States.

DEPARTMENT OF STATE,
Washington, D.C., March 9, 1972.

Hon. SPIRO T. AGNEW,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The treaty with Mexico to resolve pending boundary differences and maintain the Rio Grande and Colorado River as the international boundary is expected to enter into force shortly. This treaty settles all pending boundary differences and uncertainties with Mexico, and establishes procedures designed to avert such difficulties in the future. The treaty also establishes fixed maritime boundaries for the two countries to a distance of twelve miles in the Pacific Ocean and Gulf of Mexico. It is one of the most comprehensive boundary treaties ever concluded by the United States.

The International Boundary and Water Commission, United States and Mexico, is responsible under the treaty for its execution. The United States Commissioner on this international body should be provided with all the authority he is expected to need to discharge this responsibility for the United States. For this purpose he will have to conduct investigations, acquire lands and easements in lands, construct, operate and maintain works, and recommend for this Government the decisions that must be made under the treaty. Funds will be required to implement the initial settlement as well as to construct a closely related flood control project and carry out the obligations of the United States as they may arise under the treaty in years to come.

The Department has accordingly drafted a bill entitled the "American-Mexican Boundary Treaty Act of 1972." I present it herewith, together with a section-by-section analysis of its provisions.

The Department recommends enactment of such enabling legislation as quickly as practicable.

The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

Sincerely yours,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

COMMENTS ON DRAFT BILL

The Boundary Treaty of 1970 imposes on the United States and Mexico numerous responsibilities and obligations. These relate principally to the settlement of all existing boundary disputes and uncertainties and the prevention of new ones. The maintenance of the Rio Grande and the Colorado River as the international boundary is an important element in the achievement of both objectives. The treaty also defines and provides for demarcation of maritime boundaries in the Pacific Ocean and the Gulf of Mexico. It entrusts execution of the responsibilities and obligations to the International Boundary and Water Commission, which has been exercising similar duties with respect to the boundary with Mexico since 1889. The Commission consists of a United States Section and a Mexican Section, each headed by a Commissioner. The United States Commissioner would act for the United States in these matters under the policy direction of the Secretary of State.

Title I of the bill would provide the United States Commissioner with all the authority he is expected to need now and in the future to discharge the responsibilities and obligations assigned to the United States by the treaty. For this purpose he will have to conduct investigations, acquire lands and easements in lands, and construct, operate, and maintain works. Sections 101 and 102 of the bill, which are based on Sections 1 and 2 of the American-Mexican Chamizal Convention Act of 1964 (78 Stat. 184), would authorize these and related functions; they are largely self-explanatory. Since, if the Commission should determine under Article IV(B)(2) of the Treaty that works constructed in the United States cause deflection or obstruction of a river flow, this Government must remove or modify them, and possibly repair or compensate for the damage, Section 101(c) of the bill would authorize the United States

Commissioner to perform such work and make compensation to Mexico.

Section 103 reflects an exceptional circumstance resulting from the treaty, and is designed to mitigate the adverse effects of the operation of the treaty on certain individuals. Lands being transferred to Mexico under the terms of the treaty cannot be selected on the basis of convenience or exclusively domestic considerations. The new channel of the Rio Grande, relocated under Article I(C) of the treaty to place north of the river Mexican territory being ceded to the United States will follow an alignment determined as much by Mexican as United States interest. The Department wishes, to the extent practical, to protect the individual United States landowners adversely affected by an arrangement which was in part to accommodate Mexico. The United States Commissioner can best do this by being able to make transfers, sales and exchanges of certain lands sympathetically and expeditiously "on the spot" to suit the needs of the owners involved and provide equitably for all without delay.

For example, eleven pump sites are being eliminated from the river by its relocation. Where a United States farmer finds himself separated from the river channel and his former pump sites by lands ceded by Mexico, he becomes understandably concerned. The United States Commissioner would want to preserve an owner's riparian rights on the water course, and prevent another from acquiring the land and totally cutting him off from his source of irrigation water. Under Section 103 the United States Commissioner would be able to offer the intervening land to an adjacent owner at a price determined to be fair and equitable. Similar circumstances may well arise in the event of future acquisition of land from Mexico under the treaty, and the same provision would enable the Commissioner to protect other United States landowners. If adjoining land owners do not acquire the lands, the Commissioner would turn them over to the General Services Administration for disposal.

Section 104 relates to a complex procedure introduced by Article III of the treaty for the treatment of tracts of land shifted from one side of a boundary river to the other. Decisions must be made under the treaty in accordance with varying circumstances, whether to restore the river to its prior channel or whether to allow a new channel to become the boundary, whether to undertake rectification of the river and, in the rectification process, what lands to exchange with Mexico. Section 105 would authorize the United States Commissioner, with the approval of the Secretary of State, to make these decisions for the United States and to construct whatever works are required.

Section 105 is designed to eliminate any confusion concerning the exercise of jurisdiction over lands which pass from Mexico to the United States under the provisions of the Treaty.

Section 106 would assign to the Fish and Wildlife Service of the Department of the Interior responsibility for administering for the Federal Government that part of 481.68 acres being ceded to the United States by Mexico in the Lower Rio Grande Valley near Hidalgo, Texas, and not required in the relocation of the river at that point or for the maintenance of the project. The Department has learned that this tract would be especially useful as a wildlife refuge, and believes that this is the most beneficial use to which the tract could be put. The choice of tract was determined by flood control considerations, and it otherwise would probably have little value.

Section 107 is incorporated at the request of the Bureau of Customs. Since under Article III of the treaty tracts of land belonging to the nationals of one country might be on the opposite side of a boundary river for as long as four years, the treaty provides that those nationals would be extended such facilities for transit as may be necessary to permit them the use and enjoyment of separated tracts as before the separation, including exemption from customs duties and immigration procedures. Thus, for a period of as much as four years, Mexican nationals may be crossing to and from the United States and transiting United States territory to reach and return from tracts belonging to them on the north side of the Rio Grande or the east side of the Colorado River. The Bureau of Customs is of the opinion that legislation would be necessary to permit it to admit personal property belonging to them without entry or the payment of any duty or tax. The Bureau has therefore recommended the incorporation of Section 107 so that it can comply with the Treaty.

Section 108 authorizes the appropriation of such sums as may be necessary to implement the Treaty.

Title II would authorize an agreement with the Mexican Government for the construction of a joint flood control project for the protection of the lands in the United States and Mexico in the Presidio-Ojinaga Valley. Lands in the valley have experienced flood damage on the average of one year in three. A flood control project has been impractical, however, because of the territorial dispute in that valley. Now that the dispute over the location of the international boundary has been settled by the treaty, the river is being relocated in the valley to place north of the river channel all United States territory and to place south of the river all Mexican territory. Authorities of both countries agree that the least costly means of providing flood protection would be the addition of levees to the relocated channel at the time of its relocation, with the channel and areas between levees maintained clear of brush. The Department has therefore included Title II in the enabling legislation. SEC. 202 also authorizes the appropriation of such sums as may be necessary to construct, operate and maintain this flood control project.

By Mr. SCHWEIKER (for himself, Mr. MONDALE, Mr. SCOTT, Mr. CASE, Mr. TALMADGE, Mr. BOGGS, Mr. HUGHES, Mrs. SMITH, and Mr. BURDICK):

S.J. Res. 225. A joint resolution to prevent abandonment of railroad lines. Referred to the Committee on Commerce.

Mr. SCHWEIKER. Mr. President, on January 18, 1972, the Interstate Commerce Commission issued an order initiating special procedures for proposed railroad abandonments which became effective with its publication in the Federal Register 4 days later. The effect of this order is to modify section 1 (18)-(20) of the Interstate Commerce Act by converting the application proceeding therein to a notice proceeding. The order would also place within the discretion of the railroad filing the notice the initial determination of whether the "requirements of public convenience and necessity are minimal or non-existent." In addition, the order would shift to the public the burden of proving that the public convenience and necessity does not permit the abandonment of the line involved.

The ICC has added two new categories of abandonment of lines of railroads: those in which the requirements of public convenience and necessity are minimal or nonexistent and those where no public objection is sustained.

Under the former category of abandonment a railroad is authorized merely to post a notice that it is requesting a certificate of public convenience and necessity permitting the abandonment of a line or lines of railroad and if it declares that on the average, fewer than 34 carloads of freight per mile were carried over said line during the 12 months preceding the filing of the application the burden is placed upon the public to make a proffer of substantial evidence that it would be able to rebut the presumption. Failure of such proffer of substantial evidence will result in the immediate issue of an abandonment certificate.

Under the latter new category of abandonment the railroad may merely post a notice stating its reasons for abandoning the line and unless protests are received which contained information indicating a need for hearings the abandonment will become effective.

Mr. President, it is interesting that the Commission has issued this order at a time when legislation has been proposed and is currently being considered which would accomplish the conversion of abandonment application proceedings to notice proceedings, thus, easing the requirements for the railroad to abandon a portion of their lines. The intent of Congress in this regard is as yet uncertain and, clearly, the Commission has acted prematurely in issuing its order of January 18, 1972. It can be argued that the Commission has usurped a congressional prerogative.

The Commission order permits a carrier to abandon railroad line by alleging that the subject line has less than 34 carloads of traffic per mile during a 12-month period. The carrier need not show any substantial deficit in operating the line. The public is required to prove that the public convenience and necessity requires continued maintenance and/or operation of the said line of railroad.

Where a railroad suspects there may be no formal protest filed against this abandonment, it need only set forth the amount of traffic handled on the line in the preceding 2 years and whether continued operation would be at a deficit. There is no requirement that the "deficit" need be substantial.

Mr. President, the order of January 18, 1972, may be invalid because it was issued without notice or hearing for the public or without opportunity for the public to be heard. It can be considered an attempt to rewrite the Interstate Commerce Act and therefore exceed the Commission's powers.

The effect of this order, should it remain in force, would be the wholesale abandonment of lines of railroad which under the law as it is now constituted could not be abandoned. The order deprives shippers and employees of the opportunity to have their evidence properly weighed on the scale of the public convenience and necessity. The order places shippers at a disadvantage which they will find difficult to overcome since it modifies the criteria for determining public convenience and necessity and permits abandonment if the railroad can allege a deficit, no matter how slight, in the operation of such line.

Mr. President, although the railroads contend that abandonment of a portion of their rail lines is absolutely necessary in order to avoid further financial difficulty, there has been insufficient attention given to the plight of the farmer and the businessman, large and small. Rural America is being neglected. Small towns and regions struggling to promote industrial development and avoid economic depression are being dealt a near fatal blow.

Many businessmen located outside the urban center rely on the existing branch and spur lines. Many have substantial investment in facilities to handle their shipments. Numerous companies have located new facilities and plants in previously depressed areas because they felt that they could be served by the rail lines in the area. In Pennsylvania, for example, the industrial development authorities feel that the loss of rail lines will cripple their efforts to attract new employers. It is not an overstatement to say that large regions of the country are wholly dependent on the existence of railroads and the freight transport service they provide.

America's agriculture needs railroads. Agribusinessmen, large and small, must have the capacity to receive quantities of grain, feed, and fertilizer ingredients which only railroads can provide. In the process these businessmen are able to serve rural America with fertilizer and feed at competitive prices which in turn benefits the farmer and our agricultual economy—not just the local feed or flour mill or fertilizer plant. For the farmer his only access, ultimately, to the market is by the railroad. Trucks cannot fill the void if rail service was to disappear. Recently, a leading farmer's organization stated:

> While there are several other alternatives in passenger transportation in many communities across rural America, there is no present alternative transport service, at reasonable cost, for the bulky or heavy commodities generally transported on rail cars.

Mr. President, one of my constituents has aptly stated the matter in a recent letter to me:

> The ICC should be required to consider and evaluate the economic and social impact of eliminating rail service to the communities affected—since abandonment is the final and near-irrevocable step.

He adds:

> Abandonment is not an easy subject to rail users and it should not be made easy for the carrier.

Mr. President, the resolution that I and a number of my colleagues introduce today seeks simply to forestall the abandonment of railroad lines for 1 year. Specifically, it states that the Congress resolves that the Interstate Commerce Commission shall not authorize the abandonment of any line of railroad pursuant to the provisions of section 1(18)–(20) of the Interstate Commerce Act, as amended, prior to June 30, 1973.

This matter is currently being considered by the Congress and it would seem to me that the Interstate Commerce Commission would be well advised to await our decision. Equally important, the ICC should accord the States and innocent parties an opportunity to effectively participate in an appropriate proceeding to discuss and evaluate this change in the procedure for abandonment. The implication of the Commission's decision of January 18 is broader than merely to expedite applications for rail track abandonment and thus serve the railroads. The Commission's decision should be made only after presentation of all relevant matter.

Mr. President, I ask that the Senate joint resolution I introduce today be printed at this point in the RECORD.

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

S.J. RES. 225

TO PREVENT ABANDONMENT OF RAILROAD LINES

Whereas the National Transportation Policy of the United States has as an objective the development and preservation of a national transportation system by rail; and

Whereas the transportation requirements of the United States will double within the next ten to twenty years; and

Whereas the development and preservation of a national transportation system by rail is therefore a matter of the highest priority; and

Whereas the continued development and preservation of a national transportation system by rail is essential to the continued economic viability of communities throughout our Nation; and

Whereas such a system is essential to the continued existence of industries located throughout our Nation; and

Whereas the United States is threatened with wholesale abandonments of lines of railroad serving such communities and industries throughout the United States; and

Whereas railroad lines once abandoned cannot be reactivated except at enormous cost; and

Whereas our Nation's future transportation demands may require the reactivation of abandoned rail lines at public expense; and

Whereas there presently exists no considered, uniform national or regional means of dealing adequately with present and future rail transportation needs of the United States and certain railroad carriers which seek to abandon vast portions of their systems because of present financial considerations; and

Whereas such abandonments may well be contrary to our Nation's national transportation policy of development and preservation of a national transportation system by rail: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Interstate Commerce Commission shall not authorize the abandonment of any line of railroad pursuant to the provisions of Section 1(18)–(20) of the Interstate Commerce Act, as amended, prior to June 30, 1973.

By Mr. PERCY:

Senate Joint Resolution 226. A joint resolution to authorize the President to designate the period from September 17, 1972, through September 23, 1972, as "National Bank Women's Week." Referred to the Committee on the Judiciary.

NATIONAL BANK WOMEN'S WEEK

Mr. PERCY. Mr. President, I am introducing today on behalf of the National Association of Bank Women, Inc., a joint resolution calling on the President to proclaim the period of September 17, 1972, through September 23, 1972, as National Bank Women's Week. This is an important week for it marks the golden anniversary of the National Association of Bank Women, an organization that represents more than 9,000 bank officers.

The NABW was founded in 1921 by six women bank officers in New York City. The number of women officers grew slowly until World War II and by 1946 there were more than 6,000 women bank officers. Today more than two-thirds of all bank personnel are women; 25,000 of them are bank officers.

The National Association of Bank Women has an impressive list of officers. Of a 9,000 total membership, 965 women are assistant vice presidents; 569, vice presidents; 18, senior vice presidents; 30, executive vice presidents; 18, second vice presidents; 68, managers; and 41, bank presidents.

Many of the association's active members are leaders in the Illinois banking industry. Miss Ruth A. Steinke, assistant vice president, National Boulevard Bank of Chicago, is serving as chairman of the NABW Golden Anniversary Convention. Other very active members in the financial community include Miss Buddie J. Belford, assistant vice president, Federal Reserve Bank of Chicago, current chairman of the National Careers Committee; Miss Jessamine Durante, vice president, Harris Trust & Savings Bank, Chicago; Miss Molly M. Kramer, assistant vice president, Harris Trust & Savings Bank of Chicago; Miss Hilda H. Kollmann, vice president Financial Management Associates, Inc., Blue Island; and Miss Greta M. Grafton, vice president, Central National Bank of Mattoon, nominee for regional vice president of the NABW for the 1972–73 term.

The association itself is an active, progressive organization of businesswomen dedicated to fulfilling their responsibilities in the business community. Perhaps its spirit and resourcefulness are best characterized by Mrs. Ruth D. Harrison the current president of NABW and assistant vice president of the Irwin Union Bank & Trust Co. of Columbus, Ind. Her career in the banking industry began in 1956 when she joined Irwin Union as a loan interviewer. The next year she was named manager of the charge account department and by 1966, she became an assistant vice president. Recently elected to the post of NABW president, Mrs. Harrison has outlined an active year for the association. Her three main objectives are an increased responsibility to provide fair and progressive direction to the association's activities; to work more closely with other banking organizations in enhancing the image of banks and to encourage more women to enter the banking field; and to build an organization that will lend strength to the future generations of bank women.

Plans are already being made for the 50th anniversary celebration to be held in Chicago September 17–20. The convention will focus on issues pertinent to banking today and in the future. It is also planned that at the convention there will be the presentation of a new scholarship to a student, either graduate or undergraduate, who is studying in a field related to banking and finance.

Mr. President, I wish to commend heartily the National Association of Bank-Women and its president, Mrs. Harrison. This organization has made tremendous strides in upgrading the status of women in the banking industry and in making a substantial impact in the financial community. A Presidential proclamation, as outlined in my resolution, will help to focus national attention on the contributions made by bank women and will highlight their convention activities in September.

I urge that the Senate Judiciary Committee give the resolution an early and favorable consideration.

Mr. President, I ask unanimous consent that a brief summary of the NABW's history and purpose, along with an article from the NABW Journal, be printed in the RECORD.

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

[From the NABW Journal, January–February 1972]

MEET RUTH HARRISON: EXTRAORDINARY 'SQUARE'!

Some people would call Ruth Harrison "a square." You know, the kind that believes in an honest day's work, who is active in her church and her community, who dresses well but conservatively, who conducts herself like a lady, who dotes on her grandchildren and who clearly has a love affair going with her husband after 25 years of marriage.

She's the kind of "square" this nation was built on—and she brings all the strength and solidarity this implies to her job as NABW president this year.

Don't be fooled, though, by her innate courtesy and her native Indiana reserve into thinking she's cold and forbidding—nothing could be further from the truth. She's competent, talented and ambitious but she's also warm, friendly and possessed of a delightful self-deprecating sense of humor that keeps her from being too impressed with her own considerable accomplishments.

Mrs. Harrison could be a model for many young women in their careers. After rearing her family, she went to Irwin Union Bank & Trust Co. in Columbus, Ind., some years ago as an installment loan interviewer. At that time she had one thought in mind: She needed a new refrigerator! She wasn't thinking about a banking career then.

Fifteen years and a couple of refrigerators later, she is an assistant vice president and director of advertising and public relations for the bank. In the meantime, she has traveled far, learned much and brought numerous honors both to herself and her bank.

A recent cover story in *Hoosier Banker* details Mrs. Harrison's career as follows:

Becoming a career banker was an evolutionary process. She worked as a loan interviewer in the installment loan department for a year and then moved into other areas—manager of the charge account banking department and then manager of the new accounts department.

She found herself absorbing banking like a sponge, thriving on the variety and the personal relationships, going to meetings, picking up new ideas which she was eager to try. And she tried many of them.

One day someone at the bank woke up to the fact that much of the advertising and public relations budget was being spent in her departments because she was always trying out new promotion ideas.

So when a public relations and advertising department was set up in 1962, she became the director. In 1963, she was elected assistant cashier and in 1966, assistant vice president. She continues as director of advertising and public relations and works closely with H. Ray Moore, assistant vice president for marketing.

As she has assumed more responsibility, Ruth Harrison has had to learn to delegate authority, a difficult task for many women who start out in the business world taking care of detail, following instructions and handling the nitty-gritty of projects.

"I took the AIB course on Supervision and Personnel Management and one American Management Association training course," she explains, "I had to delay a second AMA course until I am through with this NABW job, but I still need all the management training I can get."

With a banking career well under way, Ruth Harrison joined NABW and immediately took an active part. She has held all the offices in the Indiana Group, and has served as program co-chairman for the national convention, on the regional conference publicity committee, as regional vice president and chairman of the national public relations committee.

The next step was logical—she was offered the post of national vice president, which put her in line for the presidency the following year.

Again, this took some thinking. The first person she talked to was her husband, Melvin, assistant principal at Columbus Senior High School.

"Mel looked at it as an education in itself and an obligation that I should not turn down. He has an interest in people and civic affairs and understands the demands and requirements of the job. He is my best critic. He has to hear my speeches first and tells me when I have said the wrong thing, used a double negative or a wrong verb.

"Then the bank has provided so much support, and staff people take over when I am gone. Two good secretaries, good back-up help, wonderful associates and an understanding husband have made the job easier. But you certainly have to have the support of your bank and your family to do it."

Columbus community and civic groups appeal regularly to Ruth Harrison for help and advice. And she responds.

She worked with the Columbus Chamber of Commerce to form a tour committee of residents to conduct tours of the city's educational and cultural facilities whose architecture has brought the city a national reputation as the Athens of the Prairie. And when committee members are tied up, Mrs. Harrison fills in as tour guide herself.

She serves on the community promotion committee and is a director of the Bartholomew County Library Association. In the latter post, she became part of a good-will committee that handles special projects for the library. One such project was development of a complete set of slides showing the outstanding structures in Columbus. This is now available for loan to schools and clubs or for visitors to view at the library.

She just finished organizing a speaker's bureau for the bank and is sending out a brochure listing staff members available and their topics.

Mrs. Harrison, a strong advocate of career education, is a graduate of The School of Bank Marketing. She is active in other banking associations, having recently completed a two-year term on the executive committee of the ABA's marketing/savings division and having been appointed to the Bank Marketing Association's nominating committee this year.

What does she do in her spare time? Answer: She doesn't have much! She likes to sew and knit, ride bikes with husband Mel and enjoy their lake site in beautiful Brown County, Ind.

How can she keep track of all of her responsibilities? It's no problem, reports the NABW National Office staff. They can testify that she's on top of things—and then some!! "She never misses a trick," according to Assistant Director Sharon Pierce. "Some days we swear she is triplets!"

NATIONAL ASSOCIATION OF BANK-WOMEN INC. A BRIEF SUMMARY OF ITS HISTORY AND PURPOSE

The National Association of Bank-Women Inc. was founded in 1921 by six women holding important positions in banks in New York City. These first women bank officers were pioneers in their field—not only were women bank executives a rarity, but there were few women employed in banks.

The number grew slowly until World War II when the manpower shortage caused bankers—and other businessmen—to look to "woman power" to fill the gap. By 1946 there were more than 6,000 women bank officers throughout the country and the number has accelerated rapidly. Today more than two-thirds of all personnel employed in United States banks are women and there are more than 25,000 women bank officers. They represent all facets of banking—loans, operations, investments, auditing, personnel, branch management, public relations, computer operation, trusts, marketing and many other areas.

Since 1921, NABW's membership has increased from six to over 9,000 with members in all 50 states, Canada and several foreign countries. Officer status is a requirement for membership. The Association now is divided into 15 regions, with the activities of each coordinated by a regional vice president.

The regions are again divided into groups, or chapters, of which there are now 128. Regional Conferences and group meetings are devoted to management-oriented programs in order to keep the membership informed about new techniques and alert to trends in banking and finance. Both regional and national scholarships are awarded annually to allow the recipients to take advanced courses in graduate banking schools of their choice. A new scholarship open to women undergraduate or graduate students interested in banking careers was established in 1971. Presentation of the first award under this program is expected to take place at NABW's Golden Anniversary Convention.

This event is scheduled for The Palmer House, Chicago, Illinois, September 17–21. Another "first" in conjunction with the 50th Annual NABW Convention will be an exhibition where supplies, equipment and services of value to banking operations will be showcased for inspection by the more than 1500 anticipated participants. NABW maintains a headquarters office in Chicago.

By Mr. GRIFFIN:

Senate Joint Resolution 227. A joint resolution to authorize and request the President to issue a proclamation designating 1 day during each year as "National Registered Nurses Day." Referred to the Committee on the Judiciary.

NATIONAL REGISTERED NURSES DAY

Mr. GRIFFIN. Mr. President, I am pleased to introduce a joint resolution which would authorize and request the President to issue a proclamation designating a "National Registered Nurses Day."

Following in the tradition of the legendary Florence Nightingale, the nurses of modern-day America are members of a proud profession. They always stand ready when called upon to serve the sick and to guide them back along the road to health.

In our country today there exists a critical shortage of nurses. Recent figures indicate that there are about 700,000 nurses in active practice. But an ad-

ditional 150,000 are needed now. By 1980, over 1 million nurses will be needed to meet increased demands for health services due to growth in population, expansion of duties and responsibilities and the increasing complexity of health care.

In partial recognition of this situation, the 92d Congress passed, and President Nixon signed, Public Law 92–158, the Nurse Training Act of 1971, to provide for the training of an increased number of nurses.

This important legislation was designed to meet some of the most pressing needs in nursing, including the need for more teachers in schools of nursing, new facilities for training nurses and accelerated activity in the recruiting of potential nurses into the profession.

It is essential, I believe, that the people of our Nation recognize and appreciate the vital role played by America's registered nurses in the health of our Nation.

Accordingly, Mr. President, I believe it would be most appropriate that a "National Registered Nurses Day" be designated as one way to pay tribute to this great profession and to focus attention upon the needs and problems it confronts.

I hope that this resolution will receive early and favorable consideration.

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

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

SENATE JOINT RESOLUTION 227

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating an appropriate day during each year as "National Registered Nurses Day", and calling upon the people of the United States and interested groups and organizations to observe that day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 593

At the request of Mr. CANNON, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 593, a bill to amend the Internal Revenue Code of 1954 to reduce the tax on fuel used in noncommercial aviation.

S. 2163

At the request of Mr. MATHIAS, the Senator from Illinois (Mr. STEVENSON) and the Senator from Maryland (Mr. BEALL) were added as cosponsors of S. 2163, the Vietnam Veterans Act of 1971.

S. 2219

At the request of Mr. CRANSTON, the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. THURMOND), the Senator from Ohio (Mr. SAXBE), the Senator from Rhode Island (Mr. PELL), the Senator from Vermont (Mr. STAFFORD), the Senator from Georgia (Mr. TALMADGE), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2219, the proposed "Veterans' Administration Health Manpower Training Act", a bill to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new public nonprofit medical, health professions, and allied health schools and the expansion and improvement of health manpower training programs in Veterans' Administration facilities and in existing educational institutions affiliated with the Veterans' Administration.

S. 2354

At the request of Mr. CRANSTON, the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. THURMOND), the Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Iowa (Mr. HUGHES), and the Senator from Vermont (Mr. STAFFORD), were added as cosponsors of S. 2354, the proposed "Veterans Health Care Reform Act of 1971," a bill to amend title 38 of the United States Code to provide improved and expanded medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes.

S. 2473

At the request of Mr. BURDICK, the Senator from Vermont (Mr. STAFFORD), the Senator from North Dakota (Mr. YOUNG), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Wyoming (Mr. HANSEN), the Senator from Rhode Island (Mr. PASTORE), the Senator from Wyoming (Mr. MCGEE), and the Senator from Oklahoma (Mr. HARRIS) were added as cosponsors of S. 2473, a bill to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas.

S. 3070

At the request of Mr. THURMOND, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 3070, a bill to provide for the payment of pensions to World War I veterans and their widows, subject to $3,000 and $4,200 annual income limitations, to provide for such veterans a certain priority in entitlement to hospitalization and medical care.

S. 3083

At the request of Mr. Moss, the Senator from Michigan (Mr. HART) was added as a cosponsor of S. 3083, a bill to amend the Fair Packaging and Labeling Act to provide for a uniform system of quality grades for food products, to provide for a system of labeling of food products to disclose the ingredients thereof, to provide for a system of national standards for nutritional labeling of food products, and to provide for a system of labeling of perishable and semiperishable foods.

S. 3116

At the request of Mr. TALMADGE, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 3116, a bill to amend the Federal Trade Commission Act to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful.

S. 3148

At the request of Mr. BAYH, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 3148, a bill to improve the quality of juvenile justice in the United States and to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes.

S. 3383

At the request of Mr. THURMOND, the Senator from North Carolina (Mr. JORDAN) was added as a cosponsor of S. 3383, a bill to encourage the use of recycled oil.

S. 3407

At the request of Mr. WILLIAMS, the Senator from Utah (Mr. Moss), the Senator from New York (Mr. JAVITS), the Senator from Nevada (Mr. BIBLE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 3407, the Supplementary Education Services for the Handicapped Act of 1972.

S. 3409

At the request of Mr. CRANSTON, the Senator from Indiana (Mr. BAYH), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 3409, a bill to provide for the cessation of bombing in Indochina and for the withdrawal of U.S. military personnel from the Republic of Vietnam, Cambodia, and Laos.

S. 3495

At the request of Mr. DOLE, the Senator from Minnesota (Mr. HUMPHREY), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from Kansas (Mr. PEARSON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from North Dakota (Mr. YOUNG), were added as cosponsors of S. 3495, a bill to provide reimbursement of extraordinary transportation expenses incurred by certain individuals in the production of their income.

S. 3514

At the request of Mr. PROXMIRE, the Senator from Illinois (Mr. STEVENSON) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 3514, the Menominee Restoration Act.

S. 3515

At the request of Mr. BELLMON, the Senator from Arizona (Mr. GOLDWATER), was added as a cosponsor of S. 3515, the Weather Modification and Precipitation Management Act.

S. 3534

At the request of Mr. GRIFFIN, the Senator from Texas (Mr. TOWER) was

added as a cosponsor of S. 3534, a bill to facilitate the adoption by U.S. citizens of Vietnamese children who have been orphaned or abandoned as a result of the war in Southeast Asia.

S. 3338

At the request of Mr. TALMADGE, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of S. 3338, a bill to amend title 38, United States Code, to increase the rates of compensation for disabled veterans, and for other purposes.

SENATE JOINT RESOLUTION 206

At the request of Mr. MONDALE, the Senator from Indiana (Mr. BAYH), the Senator from Colorado (Mr. DOMINICK), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from South Dakota (Mr. McGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maryland (Mr. MATHIAS), the Senator from Maine (Mr. MUSKIE), the Senator from Illinois (Mr. PERCY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Alaska (Mr. STEVENS), and the Senator from Texas (Mr. TOWER) were added as cosponsors of Senate Joint Resolution 206, a bill relating to Sudden Infant Death Syndrome.

SENATE JOINT RESOLUTION 216

At the request of Mr. WILLIAMS, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 216, to establish a commission on U.S. participation in the United Nations.

SENATE CONCURRENT RESOLUTION 79—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS ENTITLED "AMPHETAMINE LEGISLATION 1971"

(Referred to the Committee on Rules and Administration.)

Mr. BAYH. Mr. President, this morning I wish to introduce a concurrent resolution to authorize the printing of additional copies of Senate hearings entitled, "Amphetamine Legislation 1971."

The Subcommittee to Investigate Juvenile Delinquency held hearings on July 15 and 16, 1971, on S. 674, a bill to place stricter controls on the production and distribution of amphetamines and amphetamine-like drugs. Specifically, the bill would move these stimulant drugs from schedule III to schedule II of the Controlled Substances Act.

These hearings played a significant role in persuading the administration to impose stricter controls on the production and distribution of the amphetamine-like substances, phenmetrazine and methylphenidate, and to review more carefully the actual abuse and abuse potential of amphetamine combination drugs.

The 1,000-page volume, "Amphetamine Legislation 1971", covers the testimony of 28 witnesses, including testimony from several Senators and Congressmen, medical authorities, major amphetamine manufacturers, Government officials, and young people formerly involved with the "speed scene." The publication includes numerous exhibits, articles, and studies concerning the abuse and potential for abuse of amphetamines and amphetamine-like substances, including methylphenidate—Ritalin; phenmetrazine—preludin; and amphetamine combinations such as Eskatrol.

These hearings were available to the public on March 15 of this year. To date, the subcommittee's supply has been exhausted. My colleague from Kentucky, Senator COOK, the minority chairman of the Juvenile Delinquency Subcommittee and I find it necessary to request that 5,000 additional copies be printed for the use of the Committee on the Judiciary, and we urge our colleagues in the Senate to approve this resolution

The subcommittee has had an unusually large congressional demand for these hearings along with a heavy demand from colleges and universities throughout the country. We have found that this set of hearings is being used quite extensively as a reference document by various organizations, including congressional offices, State, and local law enforcement agencies, and drug treatment and rehabilitation programs.

Mr. President, I ask unanimous consent that the text of this concurrent resolution be printed in the RECORD at this point.

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

SENATE CONCURRENT RESOLUTION 79

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary five thousand additional copies of the hearings of its Subcommittee To Investigate Juvenile Delinquency during the Ninety-second Congress, first session, on S. 674, To amend the Controlled Substances Act to move amphetamines and certain other stimulant substances from schedule III of such Act to schedule II, and for other purposes.

ISLE ROYALE NATIONAL PARK IN MICHIGAN—AMENDMENT

AMENDMENT NO. 1164

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

Mr. HART submitted an amendment intended to be proposed by him to the bill (S. 2539) to designate certain lands in the Isle Royale National Park in Michigan as wilderness.

SOCIAL SECURITY AMENDMENTS OF 1972—AMENDMENT

AMENDMENT NO. 1165

(Ordered to be printed and referred to the Committee on Finance.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill—H.R. 1—to amend the Social Security Act to increase benefits and improve eligibility and computation methods under the OASDI program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, to replace the existing Federal-State public assistance programs with a Federal program of adult assistance and a Federal program of benefits to low-income families with children with incentives and requirements for employment and training to improve the capacity for employment of members of such families, and for other purposes.

AMENDMENT NO. 1166

(Ordered to be printed and referred to the Committee on Finance.)

Mr. MAGNUSON. Mr. President, today I am introducing an amendment to the omnibus social security bill (H.R. 1) which would make two needed changes in the social security retirement program. First, it would lower from 62 to 60 the age at which persons may retire and collect actuarially reduced benefits. Second, it would reduce the proportion of monthly benefits which workers must sacrifice if they choose to retire before 65.

There are at least two sound reasons for reducing the minimum retirement age from 62 to 60 for all beneficiaries. The first is a matter of simple equity. Under present law, a widow who may never have paid any social security payroll taxes herself, can receive reduced benefits at age 60. Yet another woman, equally in need of early retirement, who has earned her social security benefits through her own payroll taxes, cannot retire until 62. Clearly, then, the present law discriminates unfairly against the workingwoman. And, while the inequity is perhaps best dramatized by comparing the widow with another woman, it operates with no less unfairness against male workers, their wives, and also, of course widowers.

In writing H.R. 1, the House Ways and Means Committee did act to equalize the treatment afforded dependent widows and widowers. Consequently, as it was sent to the Senate, H.R. 1 would permit dependent widowers, as well as widows, to retire at 60 with reduced benefits. However, H.R. 1 would continue to require workers to delay retirement until at least 62. My amendment, on the other hand, would put all beneficiaries—widows, widowers, wives, and workers—on an equal footing.

Although the proposed reduction in the minimum retirement age can be justified as a matter of equity alone, it would also serve a second very pragmatic purpose. Here I refer to those in the 60–62 age bracket who, in the midst of a national recession or local depression, suddenly find themselves without a job and without hope of finding another job in a labor market already short on jobs and long on more youthful workers.

In 1971, when, on an annual average, there were approximately 5 million workers counted as officially unemployed, 73,000 of those jobless Americans were either 60 or 61 years old. And, it is logical to assume that many thousands of others in that age group were among the hidden unemployed—that group who have become so discouraged in their efforts to find work that they no longer are actively seeking employment, and, therefore, are no longer included in the Government's official unemployment totals.

Although there is no precise data as to how many persons who lose their jobs at age 60 or 61 are never able to find full-time employment again, we do have good reason to believe that many do not. For example, while the average duration of unemployment was 11.4 weeks for the unemployed as a whole in 1970, the average duration for the unemployed workers in the 60–64 age bracket was 18.3 weeks. This information strongly suggests that many in the latter category never find another job. Also suggestive of that conclusion, are the letters which each of us receive from our constituents. I, for one, have received many dozens of letters over the past several months from unemployed Washingtonians who are in their late 50's or very early 60's and despair of ever finding another job. And, almost every one of those letters has urged that the minimum social security retirement age be lowered to 60.

In addition to lowering the minimum retirement age, my amendment would, as I noted at the outset, make a second needed change in the social security retirement program. I will move now, then, to a brief explanation of this second proposed change.

To receive full retirement benefits, an individual cannot retire before his 65th birthday. If he elects to retire earlier, then he will receive a monthly check for the rest of his life which is smaller than the monthly check he would have received had he delayed retirement until 65. Under the present social security law, a person who retires on his 62d birthday receives a monthly check for 80 percent of what would have been his full monthly entitlement had he retired at 65. Similarly, if he retires on his 63d birthday, then his monthly check is 86.7 percent of what would have been his full entitlement. Finally, if he retires on his 64th birthday, his monthly check is 93.3 percent of the amount he would have received if he had retired at 65. These reductions are equal for widows, widowers, and workers alike.

However, if H.R. 1 were to become law as it was approved by the House of Representatives, widows and widowers applying for benefits before 65 would incur smaller benefit reductions than would other beneficiaries who retired at the same age. Specifically, while the monthly payment to a worker who retired on his 62d birthday would be 80 percent of what it would have been if he had retired at 65, a widow or widower could apply for benefits at 62 and receive 82.9 percent of her—or his—maximum entitlement. Likewise, the worker retiring on his 63d birthday would get only 86.7 percent of his maximum entitlement each month, while a widow or widower would be paid 88.6 percent of a full benefit. At 64, the comparable rates would be 93.3 percent for the worker and 94.3 percent for the widow or widower.

Consider this case: A worker and a dependent widower, both of whom would have received $200 per month at age 65, apply for benefits on their 62d birthday. Under H.R. 1, as it was approved by the House, the worker will get a monthly check for $160 for the rest of his life, while the widower will receive $165.80 per month.

The amendment I am proposing today would equalize the reductions incurred by widows, widowers, workers, and workers' wives who apply for benefits before age 65. All would receive monthly benefits at the higher level—the level which H.R. 1 now accords only to widows and widowers.

To recap then, this amendment would make two changes in the social security retirement program. First, the minimum retirement age would be lowered from 62 to 60. Second, all beneficiaries applying for benefits prior to age 65 would have their benefits reduced on an equal basis.

Mr. President, I insert a chart which shows the impact of my amendment on a typical worker in the RECORD at this point in my remarks:

	Monthly benefits if you retire on the day you become—					
	65	64	63	62	61	60
Present law	$200	$186.60	$173.40	$160.00	----------	----------
Amendment	200	188.60	177.20	165.80	$154.40	$143

Mr. President, since benefits applied for at age 60 or 61 would be actuarially reduced under my amendment, the payment of those benefits would not result in any additional long-term cost to the social security program. There would, however, be a short-term increase in benefit payments which could easily be paid out of existing assets in the Social Security Trust Funds. Additionally, the cost of applying the same reduction factor to all beneficiaries under age 65 would be equal to a .06-percent increase in both the employee and employer payroll taxes.

Mr. President, I ask unanimous consent that the text of my amendment be printed in the RECORD at this point in my remarks.

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

AMENDMENT No. 1166

On page 134, between lines 15 and 16, insert a new section as follows:

ACTUARILY REDUCED BENEFITS PAYABLE AT AGE 60

SEC. 144. (a)(1) Sections 202(a)(1)(B) and 202(a)(3)(B) of the Social Security Act (as amended by section 106(b) and 110(a) of this Act) are amended by striking out "age 62" wherever it appears in each such section and inserting in lieu thereof in each instance "age 60".

(2) Section 202(b)(1) of such Act (as amended by sections 109(a) and 120(a) of this Act) is amended by striking out "age 62" wherever it appears in subparagraphs (B), (G), and (I), and inserting in lieu thereof in each instance "age 60".

(3)(A) Section 202(c)(1)(B) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(B) Section 202(c)(2)(A) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(4)(A) Section 202(h)(1)(A) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(B) Section 202(h)(2)(A) of such Act is amended by striking out "Except as provided in" and inserting in lieu thereof "Except as provided in subsection (q) and in".

(b)(1) Section 216(b) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(2) Section 216(c) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(3) Section 216(f) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(4) Section 216(g) of such Act is amended by striking out "age 62" and inserting in lieu thereof "age 60".

(c) Section 224(a) of such Act (as amended by section 125 of this Act) is amended by striking out "the age of 62" and inserting in lieu thereof "age 60".

(d) Section 202(q)(1) of the Social Security Act (as amended by section 104(e)(1) of this Act) is amended to read as follows:

"(1) If the first month for which an individual is entitled to an old-age, wife's, husband's, widow's, widower's, or parent's insurance benefit is a month before the month in which such individual attains retirement age, the amount of such benefit for such month and for any subsequent month shall, subject to the succeeding paragraphs of this subsection, be reduced by—

"(A) 19/40 of 1 percent of such amount, multiplied by—

"(B)(i) the number of months in the reduction period for such benefit (determined under paragraph (6)(A)), if such benefit is for a month before the month in which such individual attains retirement age, or

"(ii) the number of months in the adjusted reduction period for such benefit (determined under paragraph (7)), if such benefit is for the month in which such individual attains retirement age or for any month thereafter;

and in the case of a widow or widower whose first month of entitlement to a widow's or widower's insurance benefit is a month before the month in which such widow or widower attains age 60, such benefit, reduced pursuant to the preceding provisions of this paragraph (and before the application of the second sentence of paragraph (8)), shall be further reduced by—

"(C) 43/240 of 1 percent of the amount of such benefit, multiplied by—

"(D)(i) the number of months in the additional reduction period for such benefit (determined under paragraph (6)(B)), if such benefit is for a month before the month in which such individual attains retirement age, or

"(ii) the number of months in the additional adjusted reduction period for such benefit (determined under paragraph (7)), if such benefit is for the month in which such individual attains retirement age or for any month thereafter."

(e) Section 202(q)(3)(A) of such Act (as amended by section 109(b)(1) of this Act) is amended—

(1) by striking out "or widower's insurance benefit and has attained age 62 (in the case of a wife's or husband's insurance benefit)" and inserting in lieu thereof "widower's, or parent's insurance benefit and has attained age 60 (in the case of a wife's, husband's, or parent's insurance benefit)"; and

(2) by striking out "or widower's" in the matter following clause (ii) and inserting in lieu thereof "widower's, or parents".

(f)(1) Section 202(q)(3)(C) of such Act is amended by striking out "or widower's" wherever it appears and inserting in lieu thereof "widower's, or parent's".

(2) Section 202(q)(3)(D) of such Act is amended by striking out "or widower's" and inserting in lieu thereof "widower's, or parent's".

(g) Section 202(q)(5)(B) of such Act is amended by striking out "62" and inserting in lieu thereof "6".

(h) Section 202(q)(6)(A) of such Act is amended—

(1) by striking out "widow's, or widower's" in the matter preceding clause (i) and inserting in lieu thereof "widow's, widower's, or parent's"; and

(2) by striking out "or husband's" in clause (i)(I) and inserting in lieu thereof ", husband's or parent's".

(i) Section 202(q)(7) of such Act (as amended by section 104(e)(2) of this Act) is amended by striking out "widow's, or widower's" and "widow's or widower's", and by inserting in lieu thereof in each instance "widows, widower's, or parents".

(j) Section 3(e) of the Railroad Retirement Act of 1937 is amended—

(1) by striking out clause (ii) in the second paragraph and redesignating clauses (iii), (iv), and (v) in such paragraph as clauses (ii), (iii), and (iv), respectively; and

(2) by striking out "age 65 (62 in the case of a woman)" in the fourth paragraph and inserting in lieu thereof "the specified age".

(k) (1) The amendments made by subsections (a) through (i) shall apply only with respect to monthly insurance benefits payable under title II of the Social Security Act for months after the month in which this Act is enacted, on the basis of application filed on or after the date of the enactment of this Act. The amendments made by subsection (j) shall apply only with respect to annuities accruing for months after the month in which this Act is enacted.

(2) In the case of an individual who is entitled for the month in which this Act is enacted to a monthly insurance benefit the amount of which would be increased by the application of the amendments made by this section, the Secretary of Health, Education, and Welfare shall redetermine the amount of such benefits under title II of the Social Security Act, effective for months after the month in which this Act is enacted, as if such amendments had been in effect for the first month of such individual's entitlement to such benefits.

(3) Where—

(A) two or more persons are entitled to monthly benefits under section 202 of the Social Security Act for the month in which this Act is enacted on the basis of the wages and self-employment income of an individual, and

(B) one or more of such persons is entitled on the basis of such wages and self-employment income to monthly benefits under such section 202 (as amended by this Act) for the month following the month in which this Act is enacted, and

(C) the total of benefits to which all persons are entitled under such section 202 on the basis of such wages and self-employment income for the month following the month in which this Act is enacted (after the application of the amendments made by this Act) is reduced by reason of section 203(a) of the Social Security Act (or would, but for the penultimate sentence of such section 203(a), be so reduced),

then the amount of the benefit to which each such person referred to in paragraph (1) is entitled for months after the month in which this Act is enacted shall in no case be less after the application of the amendments made by this Act and such section 203(a) than the amount it would have been without the application of such amendments.

TRUTH IN LENDING ACT AMENDMENTS OF 1972—AMENDMENT

AMENDMENT NO. 1167

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON. Mr. President, the purpose of this amendment is to eliminate the holder-in-due-course defense in credit card transactions. The holder-in-due-course defense has been a source of merchant abuse against consumers. Some merchants have sold shoddy goods to consumers and then sold the right to payment for those goods to third party lending institutions. When the buyer discovers that the goods are shoddy, he cannot legally stop payment to the finance firm. Under current law in most States, the finance firm is not responsible for the shoddy goods sold by the merchant. As a result, disreputable merchants have used holder-in-due-course to unload defective goods on unsuspecting purchasers. The purchaser's only remedy is to sue the disreputable merchant, which is often prohibitively expensive. At the same time, the purchaser is forced to continue payment to the finance company. I believe this legal tool which leads to abuse of consumers should be eliminated.

California has eliminated the holder-in-due-course defense in the context of credit card transactions. I think the California law should serve as a model for Federal legislative action. I am, therefore, introducing the holder-in-due-course provisions of that law as an amendment to this bill.

The California law provides that holder-in-due-course will not be available in credit card transactions where:

First, the sale took place within the State.

Second, the purchaser has made a good faith effort to obtain satisfaction from the merchant.

Third, the purchaser has made a good effort to obtain satisfaction from the bank.

For accounting purposes the amount of money owed on a particular transaction is calculated on first-in first-out basis.

I think the California law provides consumers with the protection they need to avoid abuses under holder-in-due-course. I urge the Senate to extend that same protection to citizens throughout the country.

I ask unanimous consent that the amendment be printed in full in the RECORD.

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

AMENDMENT NO. 1167

On page 27, line 14, insert the following: as Section 211; and renumber existing Section 211 as 212:

Section 211(a). The right of a card issuer to recover any credit extended through use by the cardholder of a credit card in making purchases from a retailer shall be subject to the defenses which the cardholder has as a buyer against the retailer from whom the cardholder made the purchases if:

(1) The purchase price of the item as to which a defense is asserted exceeds fifty dollars ($50).

(2) The purchase was made within the state where the action is brought.

(3) The cardholder shall have made a written demand on the retailer with respect to the purchase and attempted in good faith to obtain reasonable satisfaction from the retailer.

(4) The cardholder gives written notice to the card issuer specifying the retailer, date of purchase, amount thereof, the goods or service purchased, the nature of the cardholder's defense with respect thereto, and those acts, if any, that the cardholder has taken in attempting to obtain satisfaction from the retailer.

(b) The amount with respect to which a defense may be asserted under this section shall not exceed the amount outstanding with respect to the purchase involved, and any late charges or finance charges on such amount, determined as of the time the retailer receives the written demand required from the cardholder pursuant to paragraph (3) of subdivision (a), whichever is received first. For the purpose of determining the amount outstanding, the payments and credits to the cardholder's account are deemed to have been applied, in the order indicated, to the payment of:

(1) Late charges in the order of their entry to the account.

(2) Finance charges in order of their entry to the account.

(3) Debits to the account other than those set forth above, in the order in which each debit entry to the account was made.

(c) Use by the cardholder of a credit card, for purposes of this section, shall include only an authorized use and shall be deemed to exclude both:

(1) Purchases with cash obtained through use of a credit card.

(2) Payment by check, whether or not such a payment results in a credit extension to the cardholder by the card issuer and whether or not a credit card was used to induce the seller to accept the check.

(d) Rights of the cardholder under this section can be asserted only as a matter of defense to or set off against a claim by the card issuer under its agreement with the cardholder. The rights provided are exclusive with respect to card issuer responsibility for acts or omissions of a retailer; a card issuer shall not otherwise be subject to defenses or claims which the cardholder has as a buyer against a retailer.

(e) Notwithstanding, any other provision of this section, where a card issuer knows or has reason to know of willful or repeated unlawful acts of a retailer in connection with retail sales, the rights granted under this section shall not be exclusive but shall be in addition to any other remedies provided by law.

(f) Within 90 days after the effective date of this act to each cardholder whose account was active on the effective date of this act, and prior to the first use of the credit card to each new cardholder who is issued a credit card after the effective date of this act, the card issuer shall send a written notice which cites this act and describes the procedure to be followed under subdivision (a) of this section.

(g) This section shall not apply to card issuers who operate retail outlets where use of the credit card is limited exclusively to such retail outlets.

FOREIGN RELATIONS AUTHORIZATIONS, 1972—AMENDMENT

AMENDMENT NO. 1168

(Ordered to be printed and to lie on the table.)

Mr. HARTKE submitted an amendment intended to be proposed by him to the bill (S. 3526) to provide authorizations for certain agencies conducting the foreign relations of the United States, and for other purposes.

FAIR LABOR STANDARDS AMENDMENTS OF 1971—AMENDMENT

AMENDMENT NO. 1170

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. JAVITS. Mr. President, I introduce an amendment to S. 1861 and ask that it be referred to the Labor and Public Welfare Committee, which is presently considering legislation to amend the Fair Labor Standards Act. The amendment I am introducing today would amend the Fair Labor Standards Act to require premium pay of double time for regularly scheduled overtime work in excess of 44 hours per week over a 6-month period. Employers who could demonstrate to the Secretary of Labor that they could not feasibly avoid overtime beyond 44 hours per week over a period of 6 months could obtain an exemption from this double-time requirement.

Mr. President, one of the most tragic and unsettling problems which we face today is an unemployment rate which has hovered close to 6 percent for over a year now. At the present time there are over 5 million people unemployed in America. It is the purpose of this amendment to try to spread available work opportunity more reasonably than it is now spread and thus reduce unemployment.

The present Fair Labor Standards Act provides that employees working in excess of 40 hours per week must be paid a premium rate of 1½ the regular rate for all overtime work. The original purpose of this time-and-a-half penalty was to spread available work opportunities to the greatest number of workers by providing a substantial disincentive for overtime work.

The fact is, however, that the time-and-a-half penalty does not at present constitute a meaningful deterrent to overtime. The growth of fringe benefits with fixed costs or fixed maximum costs has made it comparatively less expensive for employers to work existing employees overtime rather than to recall laid-off employees or hire new ones.

The result is that today, notwithstanding our high unemployment, millions of American workers work regularly scheduled overtime.

The full extent of this utilization of regularly scheduled overtime is shown in a series of tables prepared by the Department of Labor which I shall refer to during the course of my remarks. I shall ask unanimous consent that the tables, as well as explanatory notes prepared by the minority staff of the Labor and Public Welfare Committee be printed in the RECORD at the end of my remarks, along with certain tables furnished to us by the United Automobile Workers, to which I shall also refer.

Mr. President, Labor Department studies show that in April 1970, 88.6 million overtime hours—hours over 40 in a week—were being worked each week by 10.7 million private nonfarm, nonsupervisory workers—wage-salary workers and 7.1 million of these workers worked more than 44 hours, accounting for 52 million overtime hours per week. In those industries covered by the FLSA, 45 million overtime hours—over 44 per week—were worked by 6.2 million workers—see table 1.

In the case of manufacturing workers the average overtime hours worked per week has increased from a weekly average of 2.45 hours during 1956–60, to 3.3 hours during 1967–71, hitting recessionary lows of 2, 2.4, and 3 hours in 1958, 1961, and 1970 respectively. Thus the low point for the second half of the period, 3 hours in 1970, was 50 percent higher than the low point of 2 reached in 1958 in the first half of the period—see table 2.

It is obvious that some overtime will exist no matter what the overtime premium rate is. Hence I do not claim that all or even most of the existing overtime work can be translated into additional jobs. What this amendment is directed at is substantial overtime which is worked—week in-week out—over a period of at least 6 months; in other words, regularly scheduled overtime. In many cases this kind of overtime can be translated into additional jobs if workers with the requisite skills are available and plant capacity is not being utilized to its fullest extent.

It seems to be generally assumed that most overtime in America is scheduled on a nonrecurrent or at most, a seasonal basis. It will probably come as a great surprise to many to learn that the assumption is just not true.

Although the overtime figures for the years 1969–70 show a decline in the absolute number of workers on extended workweeks, attributable mainly to the general economic slowdown, a recent Labor Department survey, covering the period May 1967 to May 1970 shows that the majority of overtime workers are regularly on long workweeks.

More than 75 percent of the persons who worked 41 hours or more during the week usually did so both in 1969 and 1970. Of the 14.6 million wage and salary persons who worked 41 hours or more at one job, 11.1 million or 76 percent usually worked such hours.

Of the 7.3 million persons who worked 41 to 43 hours, 4.8 million or 66 percent usually worked such hours; of the 4.6 million who worked 49 to 53 hours per week, 3.8 million or 83 percent reported they usually did so—see table 3.

Even in the highly seasonal industries many of the overtime hours are worked for other than seasonal reasons. As an indication of the proportion of overtime hours which are not of a seasonal nature a 1966 Labor Department study computed the average weekly overtime hours in the month of 1966 showing the lowest average weekly overtime hours as a percent of the annual average weekly overtime hours for that year. The range was from 51 to 97 percent with 15 of the 57 industries showing 90 percent or more.

The 1971 figures show that in the paperboard mills industry, production workers averaged—annually—7.3 hours of overtime per week; the lowest month as a percent of the annual average was 92 percent—see table 4.

While this is only a rough approximation of nonseasonal overtime, nevertheless, it can be stated that a very large proportion of the overtime hours worked in manufacturing industries is regularly scheduled.

For the past several months my office has been working closely with the UAW to develop particularized statistics with respect to the automobile industry. While our study is not yet complete, results to date demonstrate that persistent overtime on a regularly scheduled basis exists in the industry.

We have found, for example, that for the Ford Motor Co. as a whole, overtime averaged 4.5 hours per week in 1970 and 4.2 hours per week in 1971. Averages for individual plants were much higher. At the Venus engine plant, for example, employees averaged—on an annual basis—14 hours of overtime per week; at the Toledo turbine plant, the overtime average was 13.8 hours per week—table 5. At the Woodhaven stamping plant, overtime hours totaled 1,340,000 for 1970 and 1,056,000 for 1971. The average employment at this plant during the 2-year period was approximately 4,000. Elimination of much of the overtime at this plant has the capability of creating approximately 500 full-time jobs in 1971—table 6.

From this example it would appear that the time and one-half premium pay penalty is not an effective deterrent to overtime in the auto industry.

Since World War II, fringe benefits—statutory and negotiated—for active workers in the major auto companies have increased from 13 percent of hourly rates to an average of about 43 percent today.

We have compared—as of January 1, 1972—the estimated cost of hiring a new autoworker—who eventually will be laid off—with the cost of paying overtime to an active worker. The wage rate used in these calculations is the current average wage rate of an hourly-rated worker in a major auto company, which includes the cost of living allowance but no other benefits.

The figures show that the average hourly cost of hiring a new worker for a period of 13 to 26 weeks is $7.57. This cost compares with an average hourly cost of $7.35 for overtime at time and one-half. That is, the cost of hiring a worker is 3 percent more expensive than paying overtime to an active worker—table 7.

We have also compared—as of January 1, 1972—the estimated cost of recalling a laid-off auto worker—and subsequently laying him off again—with the cost of paying overtime to an active worker. The wage rate used in these calculations, again, is the current average wage of an hourly-rated worker in a major auto company, which includes the cost of living allowance but no other benefits.

These figures show that the average hourly cost of recalling a worker for a period of 13 to 26 weeks is $8.92. This cost compares with an average hourly cost of $7.35 for overtime at time and one-half. Thus, the cost of recalling a worker is over 20 percent more expensive than paying overtime to an active worker. Put another way, an increase in the overtime premium to about 83 percent of straight-time pay would be necessary to equal just the known measurable costs of a recall, without taking into account the costs of clerical work, training, and so forth. On the other hand, the cost of overtime at 100 percent premium would be 9 percent greater than the cost of a recall—$9.76 as against $8.92—table 8.

It seems clear that the auto industry's

use of overtime is not due to full utilization of manufacturing capacity. Thus, there were a number of months during 1968 and 1969 in which employment was at levels well above that of any month in 1970 or 1971—tables 9–10.

Hence, it would appear that operating as it is with fewer employees and at lower production levels than in the past, the heavy amount of overtime worked in 1970 and 1971 could not be explained away by claiming that there was no "room" to hire additional workers.

Mr. President, the Economic Report of the President, issued last January, indicated that the administration's best hopes were to reduce national unemployment to 5 percent by the end of 1972; yet subsequent indicators suggest that even that goal will not be reached.

It is ironic indeed that we continue to tell the poor that the road away from poverty to economic dignity is traveled by those who work. Here are individuals regularly working 53 and 54 hours per week, 13 and 14 hours of overtime; yet the ranks of the unemployed continue to swell. This situation must be reviewed. My amendment is only a first step, a small step, but it is a step that ought to be taken.

According to our calculations payment of double time would be an effective deterrent to excessive overtime and hence would serve as a means of spreading existing employment. While I recognize that not all of the overtime hours presently could be converted into new job opportunities, I do feel that a sufficient number of new jobs could be created to make a significant contribution toward reducing employment.

Based on the best information available, this amendment could create several hundred thousand additional jobs. When people are regularly working enormous amounts of overtime at the same time that many are unemployed, the burden of proof must be on the employers to show why excessive—regularly scheduled—overtime cannot be eliminated in favor of the creation of new job opportunities.

Mr. President, I recognize that since many workers regularly work overtime, the possible adverse effects of this provision on their take-home pay must be considered. However, we must balance that adverse effect against the beneficial effect of putting more people to work. Further, it should be noted that for many employees, the provision would tend to reduce the dissatisfaction stemming from regularly scheduled, excessively long workweeks. This could lead to improved productivity and reduced absenteeism.

Mr. President, again I wish to emphasize that my amendment is a limited one. Any employer may receive an exemption if he can demonstrate that it is not feasible for him to hire additional employees. This would be true, for example, if he could not secure people with the requisite skills, or if his plant was operating at capacity, or if it would not be economical to hire an additional shift.

However, I am convinced that in certain cases where an excessive amount of overtime is being used, additional employment opportunities can be created.

Mr. President, during my remarks I have referred to various statistics. They are all drawn from tables published by the U.S. Department of Labor, except that those relating to the auto industry were prepared by the minority staff of the Labor and Public Welfare Committee with the cooperation of the UAW.

Mr. President, I ask that the material I have furnished together with the amendment be printed at this point in the RECORD.

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

AMENDMENT NO. 1170

On page 9, between lines 2 and 3, insert the following new subsection:

"(d) Section 7 of the Fair Labor Standards Act of 1938, as amended, is amended by adding the following new subsections:

"(h)(1) No employer shall employ any employee who in any workweek is engaged in commerce or in the production of goods for commerce or is employed in an enterprise engaged in commerce or in the production of goods for commerce, for a workweek longer than 44 hours, unless such employee receives compensation for his employment in excess of the hours above specified at a rate not less than two times the regular rate at which he is employed: *Provided that* the provisions of this paragraph shall not apply to any employee during any semi-annual period unless such employee works more than an average of 44 hours per week during such semi-annual period. Semi-annual periods shall be the periods from January 1 to June 30, and from July 1 to December 31 during each year, unless otherwise determined pursuant to regulations prescribed by the Secretary. Any additional compensation payable under this paragraph with respect to a semi-annual period shall be paid within 30 days after the expiration of such period.

"(2)(A) Prior to the expiration of any semi-annual period but no earlier than 60 days prior to its commencement, any employer may apply to the Secretary for an order granting an exemption from the provisions of this subsection for such period with respect to particular employees or categories of employees. Such order shall be issued only if the employer files an application which meets the requirements of subparagraph (B) of this paragraph and establishes to the satisfaction of the Secretary that it is not feasible to reduce the average number of hours worked per week by such employees during such period to 44 hours or less through hiring additional employees. In making such a determination the Secretary shall consider, among other things, such factors as the availability of additional personnel with the requisite skills (or who could reasonably be expected to acquire such skills within a reasonable period of time) and the availability of additional unused plant capacity.

(B) An application for an order under this subsection shall contain—

(i) a description of the employees or categories of employees with respect to which the exemption is sought;

(ii) a representation by the employer, supported by representations from qualified persons having firsthand knowledge of the facts represented, that he is unable to avoid overtime in excess of four hours per week during the semi-annual period in question, and a detailed statement of the reasons therefor;

(iii) a statement of when he expects to be able to reduce overtime to an average of four hours per week or less, and what steps he has taken and what steps he will take (with dates specified, to the extent feasible) to do so;

(iv) a certification that the employer has informed his employees of the application by giving a copy thereof to their authorized representative, posting a statement giving a summary of the application and specifying where a copy may be examined at the place or places where notices to employees are normally posted, and by other appropriate means. A description of how employees have been informed shall be contained in the certification; and

(v) such other information as the Secretary may require.

(C) Any order issued under this section shall be effective for no more than one semi-annual period, except that such an order may be extended to cover succeeding semi-annual periods so long as the requirements of this section are met during such succeeding periods and a separate application for each such extension is filed no earlier than 60 days prior to the commencement of the semi-annual period to which it relates.

"(3) This subsection shall be effective with respect to semi-annual periods beginning on or after January 1, 1973.

TABLE 1.—HOURS WORKED IN SURVEY WEEK BY NONSUPERVISORY EMPLOYEES IN ALL PRIVATE NONFARM INDUSTRIES, APRIL 1970

[Employees in thousands; hours worked in millions]

Coverage status under the Fair Labor Standards Act	All nonsupervisory employees in nonfarm industries		Nonsupervisory employees who worked more than 40 hours in survey week			Nonsupervisory employees who worked more than 44 hours in survey week		
	Number	Hours worked in survey week	Number	Total hours worked	Hours over 40	Number	Total hours worked	Hours over 44
All nonfarm industries	44,703.0	1,642.7	10,743.3	518.3	88.6	7,102.6	364.4	51.9
Industries covered by minimum wage provisions of the FLSA	39,412.4	1,475.1	9,600.5	461.4	77.4	6,226.3	318.9	45.0
Covered prior to 1966 Amendments	32,747.9	1,250.5	8,317.5	400.1	67.4	5,406.9	277.3	39.4
Covered by the 1966 Amendments	6,664.5	224.6	1,283.0	61.3	10.0	819.4	41.6	5.6
Industries largely not covered by minimum wage provisions of the FLSA	5,290.6	167.6	1,142.8	56.9	11.2	876.3	45.5	6.9

Source: U.S. Department of Labor, Employment Standards Administration, "Wages and Hours of Work of Nonsupervisory Employees in All Private Nonfarm Industries by Coverage Status Under the Fair Labor Standards Act—Submitted to Congress 1972," tables 52, 59, and 66.

TABLE 2.—NUMBER OF PRODUCTION WORKERS, AVERAGE WEEKLY OVERTIME HOURS, AND AGGREGATE WEEKLY OVERTIME HOURS IN MANUFACTURING INDUSTRIES, UNITED STATES, 1956–70, ANNUAL AVERAGES, AND JANUARY–SEPTEMBER 1971

Year	Number of production workers (thousands)	Average weekly overtime hours	Aggregate weekly overtime hours (thousands)	Year	Number of production workers (thousands)	Average weekly overtime hours	Aggregate weekly overtime hours (thousands)
1956	13,436	2.8	37,620.8	1964	12,781	3.1	39,621.1
1957	13,189	2.3	30,334.7	1965	13,434	3.6	48,362.4
1958	11,997	2.0	23,994.0	1966	14,297	3.9	55,758.3
1959	12,603	2.7	34,028.1	1967	14,308	3.4	48,647.2
1960	12,586	2.4	30,206.4	1968	14,514	3.6	52,250.4
1961	12,083	2.4	28,999.2	1969	14,768	3.6	53,164.8
1962	12,488	2.8	34,966.4	1970	14,050	3.0	42,150.0
1963	12,555	2.8	35,154.0				

Source: U.S. Bureau of Labor Statistics, Employment and Earnings, United States, 1909–70, and various monthly issues.

TABLE 3.—PERSONS ON WAGE AND SALARY WORKING 41 HOURS OR MORE AT 1 JOB AND PROPORTION RECEIVING PREMIUM PAY BY HOURS OF WORK, MAY OF 1967, 1969, AND 1970.

[Numbers in thousands]

Hours worked	May 1970			May 1969			May 1967		
	Total worked overtime	Received premium pay		Total worked overtime	Received premium pay		Total worked overtime	Received premium pay	
		Number	Percent		Number	Percent		Number	Percent
Total who worked 41 hours or more	14,554	5,967	41.1	16,810	6,808	43.1	16,672	6,386	38.3
Usually worked 41 hours or more	11,061	3,715	33.6	12,050	4,492	37.3	12,986	4,091	31.5
Did not usually work 41 hours or more	3,492	2,252	64.5	3,759	2,316	61.6	3,686	2,296	62.3
Worked 41 to 48 hours	7,266	3,713	51.1	7,960	4,130	51.9	7,914	3,813	48.2
Usually worked 41 hours or more	4,782	2,027	42.4	5,276	2,363	44.8	5,364	2,135	39.8
Did not usually work 41 hours or more	2,484	1,685	67.8	2,684	1,767	65.8	2,549	1,678	65.8
Worked 49 to 59 hours	4,579	1,697	37.1	4,913	1,991	40.5	5,384	1,887	35.0
Usually worked 41 hours or more	3,820	1,239	32.4	4,148	1,539	37.1	4,552	1,397	30.7
Did not usually work 41 hours or more	759	457	60.2	765	452	59.1	832	490	58.9
Worked 60 hours or more	2,709	558	20.6	2,937	687	23.4	3,374	687	20.4
Usually worked 41 hours or more	2,459	448	18.2	2,627	590	22.5	3,070	559	18.2
Did not usually work 41 hours or more	250	110	44.0	310	97	31.3	305	128	42.0

TABLE 4.—NONAGRICULTURAL INDUSTRIES WITH ANNUAL AVERAGE WEEKLY OVERTIME HOURS EXCEEDING 3.5 HOURS IN 1971: RATIO OF AVERAGE WEEKLY HOURS OF OVERTIME IN LOWEST MONTH TO ANNUAL AVERAGE WEEKLY HOURS OF OVERTIME

Industry	Average weekly overtime hours (1971 annual average)	Lowest month as percent of annual average
3.6–3.9 HOURS		
Sawmills and planing mills	3.9	82
Millwork, plywood and related products	3.6	75
Structural clay products	3.7	78
Other stone and nonmetallic mineral products	3.6	89
Iron and steel foundries	3.7	89
Nonferrous metals	3.9	95
Nonferrous rolling and drawing	3.9	79
Fabricated structural steel	3.6	94
Metal services, n.e.c.	3.7	89
Motor vehicles and equipment	3.7	70
Dairy products	3.8	92
Sugar	3.7	76
Paperboard containers and boxes	3.7	84
Periodicals	3.7	70
4.0–4.9 HOURS		
Flat glass	4.3	79
Glass and glassware, pressed or blown	4.4	86
Metal cans	4.3	60
Meat products	4.3	81
Miscellaneous food and kindered products	4.6	87
Weaving mills, cotton	4.0	88
Weaving mills, synthetic	4.0	78
Textile finishing, except wool	4.9	88
Floor covering mills	4.9	73
Yarn and thread mills	4.4	86
Miscellaneous textile goods	4.0	80
Plastics materials and resins	4.1	80
Agricultural chemicals	4.3	70
Tires and inner tubes	4.1	63
5.0 OR MORE		
Concrete, gypsum and plaster products	6.3	71
Grain mill products	6.2	79
Paper and pulp mills	5.8	95
Paperboard mills	7.3	92
Other petroleum and coal products	6.3	81

TABLE 5.—FORD MOTOR CO., U.S. AREA—AVERAGE HOURS WORKED

	1970			1971		
	Straight time	Overtime	Total	Straight time	Overtime	Total
Atlanta Assembly	34.5	0.5	35.0	35.7	6.9	42.6
Chicago assembly	33.9	2.4	36.3	35.7	.8	36.5
Dearborn assembly	34.6	2.4	37.0	36.0	.8	36.8
Kansas City assembly	34.4	7.8	42.2	36.0	5.0	41.0
Kentucky truck	35.8	1.9	37.7	36.5	1.4	37.9
Lorain assembly	34.9	5.6	40.5	35.3	6.9	42.2
Los Angeles assembly	34.5	2.3	36.8	36.6	1.7	38.3
Louisville assembly	35.6	4.5	40.1	36.7	.8	37.5
Mahwah assembly	33.8	3.0	36.8	36.4	1.8	38.2
Metuchen assembly	34.3	7.3	41.6	35.6	2.3	37.9
Michigan truck	34.8	7.8	42.6	36.0	4.9	40.9
Norfolk assembly	36.1	3.2	39.3	36.6	.7	37.3
St. Louis assembl	34.9	1.3	36.2	37.0	1.7	38.7
San Jose assembly	34.4	5.5	39.9	36.1	2.5	38.6
Twin Cities assembly	35.8	4.8	40.6	36.5	1.4	37.9
Wayne assembly	33.4	2.4	35.8	35.4	1.6	37.0
Wixom assembly	32.9	1.2	34.1	35.7	3.5	39.2
AAD, total	34.4	3.6	38.0	36.0	3.0	39.0
Steel Division, total	37.7	3.9	41.6	37.7	3.9	41.6
Buffalo Stamping	36.4	5.6	42.0	36.6	4.7	41.3
Chicago Stamping	34.7	6.7	41.4	35.7	4.3	39.1
Cleveland Stamping	35.4	5.3	40.7	35.3	6.1	41.4
Dearborn Stamping	34.4	6.3	40.7	35.2	3.9	39.1
Woodhaven Stamping	34.2	7.1	41.3	34.6	5.5	40.1
Frame	34.3	1.5	35.8	35.9	3.6	39.5
Monroe	36.5	4.3	40.8	36.3	5.8	42.1
Tool and Die	36.2	8.4	44.6	36.5	8.6	45.1
Metal Stamping Division, total	35.1	5.7	40.8	35.6	4.9	40.5
General Services, total	36.0	3.4	39.4	36.1	3.5	
Dearborn Glass	37.5	4.7	42.2	37.9	3.9	
Nashville Glass	36.9	4.8	41.7	36.7	3.7	
Glass Division, total	37.0	4.7	41.7	37.0	3.7	
Cleveland Engine No. 1	35.4	4.1	39.5	36.5	5.0	
Cleveland Engine No. 2	35.7	2.5	38.2	37.5	4.5	
Dearborn Engine	35.5	5.6	41.1	36.4	7.4	

	1970			1971		
	Straight time	Overtime 1970	Total	Straight time	Overtime 1971	Total
Northville	38.2	5.1	43.3	37.3	7.2	
Lima Engine	35.8	3.7	39.5	36.7	3.5	
Green Island	35.8	6.9	42.7	37.0	7.5	
Cleveland Foundry	35.5	6.5	42.0	36.2	4.6	
Dearborn Iron Foundry	35.0	5.3	40.3	35.5	7.1	
Dearborn Specialty Foundry	36.7	2.6	39.3	36.4	3.6	
Michigan Casting				42.6	5.5	
Sheffield Aluminum	36.9	2.4	39.3	36.7	3.2	
Industrial Engine	38.4	3.5	41.9	37.0	7.7	
Toledo Turbine				36.1	13.8	
Vulcan	37.3	5.2	42.5	35.4	5.6	
Venus	38.3	15.5	53.8	36.0	14.0	
Engine and Foundry, total	35.6	4.8	40.4	36.4	5.5	
Mt. Clemens	35.2	7.2	42.4	36.2	7.8	
Utica	32.9	2.1	35.0	34.7	3.7	
Industrial and chemical production, total	33.4	2.8	36.2	34.7	3.7	
Fairfax	36.5	8.3	44.8	36.5	4.6	41.1
Sharonville	36.4	7.0	43.4	36.3	7.4	43.7
Livonia	35.2	3.5	38.7	35.6	4.5	40.1
Canton Forge	36.7	6.2	42.9	37.2	5.0	42.2
Indianapolis	36.0	3.7	39.7	36.3	4.9	41.2
Sterling	36.0	7.7	43.7	36.0	9.2	45.2
Van Dyke	36.2	9.6	45.8	36.1	8.7	44.8
Transmission and chassis, total	35.9	5.9	41.8	36.1	6.5	42.6
Rawsonville	35.5	3.6	39.1	36.0	4.3	40.3
Sandusky	35.9	2.7	38.6	36.4	1.2	37.6
Ypsilanti	35.4	5.5	40.9	36.4	5.1	41.5
Fostoria	36.5	2.6	39.1	37.0	.6	37.6
Owosso	36.4	7.0	43.4	37.9	6.9	44.8
Sheldon Road	35.8	1.0	36.8	35.6	1.8	37.4
Saline	35.7	5.6	41.3	36.1	4.6	40.7
Shreveport	36.9	5.5	42.4	37.4	7.3	44.7
General Parts Division, total	35.6	4.0	39.6	36.3	3.7	40.0
Highland Park	36.6	2.3	38.9	37.6	1.8	39.4
M-151	36.2	1.8	38.0	36.6	4.9	41.5
Des Moines Implement	37.2	1.6	38.8	34.7	.8	35.5
Royal Oak Equipment	37.0	.9	37.9	36.3	3.8	40.1
Romeo Equipment	39.7	.7	40.4	35.4	2.0	37.4
Ford Tractor, total	36.4	2.0	38.4	36.4	2.1	38.5
U.S. area	35.2	4.5	39.7	36.1	4.2	40.3

TABLE 6.—WOODHAVEN LOCAL 387 UAW

OVERTIME HOURS FOR 1970

Day:	January	February	March	April	May	June	July	August	September	October	November	December
1		758.15	4,686.25	583.70	221.20	1,138.50		6,012.00	1,927.20	2,588.50	13,530.00	1,299.10
2		885.70	782.90	416.50	12,261.30	934.30		3,089.30	2,355.00	2,306.20	2,319.90	1,603.20
3		198.90	31.40	291.90	4,814.30	1,298.50		853.30	2,332.40	21,671.40	1,700.60	1,369.60
4		198.00	38.00	14,715.80	800.70	1,275.10		698.00	2,101.10	4,583.30	1,486.20	1,294.60
5	1,632.00	278.70	82.60	9,590.60	597.70	1,422.10		875.10	22,968.40	2,508.40	1,591.20	15,150.14
6	603.70	231.90	233.40	1,088.00	631.70	21,204.50	1,318.00	900.30	17,888.40	2,543.60	1,339.80	2,169.65
7	751.40	6,919.30	7,673.00	502.20	702.60	16,668.15	898.10	613.70	1,095.95	2,531.70	20,899.20	1,787.00
8	490.20	4,392.70	5,559.25	507.70	374.20	1,311.60	1,086.70	7,781.92	2,368.30	2,344.70	13,120.45	1,097.70
9	528.40	1,243.50	212.00	384.80	11,461.60	1,130.90	1,556.40	1,817.60	2,269.00	1,846.30	1,951.60	1,567.30
10	6,513.90	243.20	344.30	386.50	5,627.00	1,393.40	1,284.80	1,314.10	2,583.30	22,774.30	1,574.00	692.90
11	5,457.40	255.20	77.70	13,312.80	815.70	1,424.70	17,656.50	1,603.20	2,268.90	16,599.60	1,668.40	793.10
12	1,095.20	223.60	91.50	8,561.10	499.80	1,350.90	12,478.36	1,554.40	20,091.80	2,084.20	1,417.50	6,986.10
13	292.60	192.00	93.70	904.50	836.10	22,639.30	1,344.60	1,527.90	7,423.75	1,567.20	1,139.80	8,014.10
14	116.90	6,987.10	6,911.60	449.60	774.70	18,168.60	986.10	1,615.50	2,381.70	1,764.60	20,822.90	1,929.50
15	101.90	4,630.75	5,096.90	424.70	238.10	1,859.50	1,227.30	12,945.50	1,772.90	1,490.70	12,757.35	1,502.10
16	49.70	1,047.00	627.40	500.10	12,669.80	1,602.00	1,095.30	2,979.90	2,025.20	1,736.90		1,527.90
17	4,471.50	264.30	100.30	298.30	4,629.55	1,807.20	877.20	1,896.40	2,005.20	22,703.80		1,294.60
18	1,782.80	229.00	187.60	10,719.70	762.70	1,998.30	12,014.50	1,500.00	2,048.30	14,307.40		1,239.10
19	996.50	219.90	243.10	5,583.60	279.60	1,740.60	3,812.35	1,971.30	22,941.50	1,836.90		15,948.40
20	308.20	296.70	208.30	872.30	398.80	22,455.84	836.80	1,583.60	16,369.65	1,553.80		11,208.85
21	279.50	5,734.30	12,742.28	527.20	714.60	17,056.91	661.90	1,542.70	2,410.70	2,146.80		1,717.10
22	239.70	1,810.35	5,763.25	625.00	463.60	2,576.60	704.80	16,328.14	2,350.40	2,073.30		938.00
23	316.80	987.60	1,226.70	510.30	17,386.64	2,280.60	460.70	7,347.85	2,836.50	1,766.20	1,795.20	1,770.10
24	4,188.70	218.70	388.10	403.90	9,929.60	2,229.60	340.50		2,533.70	23,199.10	1,498.80	231.00
25		222.50	477.00	13,085.10	1,237.50	2,528.90	10,747.62		2,418.30	14,993.90	2,420.00	288.00
26	940.70	461.70	1,559.70	6,106.80	1,220.90	2,072.20	2,558.20		23,076.80	2,120.50	664.00	24.00
27	275.40	227.10	5,500.10	758.10	1,375.20	19,812.12	837.10		10,295.20	1,752.10	1,450.70	33.75
28	336.70	6,790.50	2,889.90	481.40	1,031.10	15,337.92	605.00		2,816.20	1,755.80	13,489.90	
29	239.70			443.10	1,805.70		690.40		2,555.60	2,010.20	6,366.30	
30	180.80		425.00	284.40	38,575.50		638.90		2,651.30	1,601.20	1,722.40	
31	5,972.60		652.80		10,787.00		793.20	2,391.80		22,373.80		

OVERTIME HOURS FOR 1971

Day:												
1		1,517.40	1,369.80	796.90	17,880.50	1,478.90	1,771.90	4,242.15	910.40	1,255.00	1,378.50	1,005.40
2		484.90	930.10	637.00	4,232.95	993.30	1,354.50	1,854.10	1,271.30	8,966.00	974.70	836.10
3		857.90	432.50	9,913.60	1,450.80	934.60	6,983.00	1,233.10	1,111.40	2,010.35	915.70	676.30
4	3,597.70	728.30	466.80	4,596.00	1,086.60	746.70	4,133.20	1,243.00	3,818.50	1,899.80	970.90	11,229.60
5	1,350.80	623.60	358.20	1,378.60	1,210.70	22,739.40	2,527.10	1,322.60	425.50	1,294.50	909.50	8,028.60
6	1,405.60	10,736.20	5,552.60	852.80	1,273.10	17,628.45	1,434.50	1,087.40	379.00	1,138.20	12,483.00	1,375.10
7	1,060.40	4,615.55	3,730.55	831.10	1,020.30	1,707.90	1,371.60	4,213.30	1,428.30	1,237.40	7,544.60	948.90
8	631.60	1,586.60	939.40	1,823.80	21,340.80	1,584.00	919.70	1,737.60	1,010.50	1,019.00	1,620.30	1,033.00
9	4,965.00	1,066.90	257.60	300.00	11,372.25	1,777.40	767.50	1,417.20	955.20	9,302.80	971.90	1,439.00
10	4,209.85	1,367.10	307.70	134.00	1,816.80	1,633.00	18,008.90	1,074.00	1,141.60	2,636.75	915.20	968.00
11	1,304.50	841.00	393.80	101.00	807.90	1,661.80	7,084.00	1,010.60	8,165.90	1,969.30	1,155.10	14,629.50
12	709.90	556.80	283.20	1,248.00	823.30	24,012.60	1,563.80	1,246.70	1,005.00	1,315.90	1,165.00	1,240.05
13	972.60	11,587.80	8,466.00	663.90	724.70	18,212.50	803.50	1,063.40	1,320.10	1,222.70	11,102.30	1,636.10
14	422.70	3,541.20	4,053.95	596.70	765.50	2,436.50	1,002.40	3,793.10	989.60	1,216.20	8,143.65	802.40
15	331.30	1,337.50	975.60	678.10	19,868.00	1,642.40	1,040.30	1,603.70	1,017.30	1,201.90	2,042.80	922.00
16	8,877.90	605.20	510.50	719.10	12,138.55	1,435.90	771.20	1,385.20	852.90	10,760.80	1,568.10	1,070.00
17	3,915.35	874.30	312.60	9,942.50	1,929.00	1,468.40	14,950.70	1,073.90	715.90	5,328.05	1,575.50	713.90
18	1,341.50	761.40	273.10	4,207.00	463.10	764.90	3,563.00	1,270.10	2,968.60	1,964.00	1,413.70	11,836.30
19	457.90	656.60	429.70	1,506.20	819.28	19,119.80	1,331.10	1,237.30	1,282.75	1,358.70	1,156.10	4,023.05
20	338.70	9,396.20	6,854.40	973.30	828.60	11,389.50	917.10	955.50	1,139.70	1,649.90	12,556.50	
21	528.20	3,599.40	3,583.10	934.80	791.00		815.30	4,979.60	815.30	1,256.00	9,614.00	
22	689.60	1,444.80	1,214.30	694.60	22,113.00		1,067.30	1,703.60	1,074.30	1,154.00	1,514.10	
23	8,628.80	787.60	261.90	719.00	9,833.95		831.10	1,546.20	1,129.30	6,743.80	1,153.90	
24	3,663.10	695.60	334.80	13,520.80	2,155.30		11,664.80	862.70	939.20	1,122.35	2,470.60	
25	1,427.10	491.40	562.70	4,142.90	1,276.60		2,223.10	1,124.40	3,951.90	1,353.50	216.00	
26	781.80	676.00	490.90	1,281.10	1,363.00		1,703.50	832.80	1,500.35	1,500.90	854.90	
27	631.60	9,063.90	7,493.60	546.40	863.50		1,105.40	892.40	1,456.90	1,431.70	12,304.50	
28	767.10	4,460.25	3,888.00	736.70	823.50	2,734.10	1,231.60	3,520.20	972.00	1,265.90	8,937.10	
29	419.80		1,292.70	931.70	19,787.40	1,317.30	1,083.60	669.30	1,147.90	1,456.80	1,584.50	
30	7,411.10		860.80	828.40	13,843.15	1,366.70	886.80	1,558.90	1,020.80	12,233.00	857.40	
31	3,677.75		886.30		8,535.80		10,273.90	927.80		4,247.65		

TABLE 7.—ESTIMATED HOURLY COSTS OF OVERTIME VERSUS HIRING NEW WORKERS—SELECTED ITEMS—HOURLY RATED AUTO COMPANY WORKERS, 1947–72 [1]

	1947	1972
Estimated average hourly wage rate as of Jan. 1, 1972	$1.38	$4.83
Wage cost if overtime is worked:		
At time and one-half	2.06	[2] 7.35
At double time	2.75	[2] 9.76
Wage cost if workers are hired and then laid off:		
Vacation pay allowance	0	.19
Holiday pay	.03	.18
Shift premium	.07	.24
Supplemental unemployment benefits	0	0
Pensions	0	0
Insurance	.01	.67
Social security taxes	.01	.28
Federal unemployment compensation	.28	[3] .03
State unemployment compensation		1.15
Total	1.78	7.57

[1] See app. A for assumptions underlying this table and app. B for an explanation of each item.
[2] Includes average current contribution of $0.10 to supplemental unemployment benefit fund.
[3] Assumes worker is hired for 18 weeks or less. See app. B, par. (10), item (a).

APPENDIX A

We made several assumptions in constructing the 1972 figures in the attached table and took various facts into consideration, as follows:

1. Hourly costs of benefits like vacation pay, holiday pay, etc., are averaged over hours worked, i.e., they decrease with overtime. However, the difference between labor costs averaged over a 40-hour week plus overtime is a small proportion of overtime costs and has been disregarded here. It should be kept in mind that this results in a slight overstatement of overtime costs, since the same cost averaged over more than 40 hours worked will be less than the cost averaged over 40 hours.

2. We assume that there is no shift premium when overtime hours are worked. All overtime takes place as part of a single morning shift. In the same way we assume there is no overtime when the company hires additional workers rather than scheduling overtime. This tends to understate the cost of the new hire policy, since there is probably some emergency overtime in any case.

3. In the case of the newly hired worker, the cost of Supplemental Unemployment Benefits is placed at zero, because it is assumed that the worker is employed less than a year, and therefore is not eligible for this benefit. It is true that while he is employed the company will be required to make contributions on his behalf, but since he does not draw that money out in benefits, the contributions will go to swell the Fund and eventually will help bring closer the time when the Fund is large enough that the company will be able to reduce its contribution rate for all workers.

4. The newly hired worker is a Michigan resident; he is married, his spouse does not work and they have one child. He is hired for a period of at least 13 weeks, at most 26 weeks. There are 12 paid holidays in each year, or an average of one paid holiday a month. We assume that the newly hired worker loses three paid holidays before he acquires seniority and becomes eligible for holiday pay. In view of his period of employment it is also assumed that he receives pay in lieu of vacation rather than vacation time off.

5. For every worker hired there is assumed a corresponding increase in the afternoon shift, and therefore a shift premium payment equal to five percent of the average wage.

6. When he is hired, the worker is assumed to have at least one credit week towards unemployment compensation.[1] As we assume he will be eventually laid off, the costs of unemployment benefits are computed by charging the amount of such benefits for which the worker would be eligible to the hours he actually works. This may overstate the U.C. cost of a newly hired worker to the auto company, however, we have assumed that 20 percent of the layoff time is represented by workers who find other jobs or for other reasons do not collect unemployment benefits. For the other 80 percent of layoff time, it is assumed that benefits are collected for the full period of eligibility.

The 1947 figures should be regarded as describing a benefit structure different from the present one. A worker with less than one year's seniority was then not entitled to a vacation. With respect to the cost of unemployment compensation, if the worker worked less than 15 weeks the figure would range up to $.38 per hour. Otherwise the figure was $.28 as shown in the table.

APPENDIX B

A worker whose characteristics were described in Appendix A is hired in lieu of scheduling overtime for active workers. The average hourly costs of labor for such worker were computed as follows:

1. Hours Effectively Worked—There are 2080 hours in a year of 52 weeks and 40 hours a week. Under the 1970 auto contracts, workers get 12 holidays. Therefore, yearly hours effectively worked: 2,080−96[12 x 8]=1,984.

2. Vacation Pay Allowance—Since the worker has less than one year of seniority he does not qualify for paid absence allowance. His hours of vacation pay allowance averaged over hours effectively worked are: 40/992=.0403.[2] The cost of his vacation pay averaged over the hours worked is: $4.83 x .0403 hours=$.19.

3. Holiday Pay—Under the assumption that the worker qualifies for only 9 holidays in his first year, the cost of holiday pay averaged over hours effectively worked is: (9 days x 8 hours x $4.83)/1,984 hours=$.18.

4. Shift Premium—Five percent of shift premium amounts to an hourly cost of: 5% x $4.83=$.24.

5. Supplemental Unemployment Benefits—A new hire is not credited with any Credit Units until the day he has at least one year of seniority. Therefore the hourly cost of this benefit is zero.

6. Pensions—As we assume the new worker will be laid off before acquiring vested pension rights, we estimate the cost of this benefit to the corporation at zero.

7. Insurance—We assume expected 1972 rates for hospital, medical and prescription drug expense coverage. The average hourly cost of these benefits (which include life and accident insurance) for a worker with a family is: $.67.

8. Old-Age and Disability Insurance (Social Security)—The employer is required to make a contribution of 5.2 percent of the worker's earnings up to $9,000 a year. Earnings per hour worked (average wage plus vacation pay plus holiday pay plus shift premium) amount to: $4.83 + $.19 + $.18 + $.24 = $5.44. Social Security taxes per hour worked are: 5.2% x $5.4=$.28.[3]

9. Federal Unemployment Insurance—The net effective FUTA tax rate for most employers is .5 percent, and the taxable wage base in 1972 is $4,200. Earnings per hour as in (7) above are $5.44.

(a) If the worker is hired for a period roughly equal to or shorter than 18 weeks, FUTA taxes per hour worked are: .5% x $5.44 = $.03.

(b) If the worker is hired for a period longer than 18 weeks, FUTA taxes per hour worked decrease as the length of his work period increases. At 26 weeks, FUTA taxes per hour worked are (.05% x $4,200)/992 hours = $0.02.

10. Unemployment Compensation—The unemployed worker receives three full weeks of benefits for every four credit weeks in his base year. Given the size of his family and his average weekly wage, his weekly benefit rate is $73. Distributing the cost of unemployment compensation over the number of hours effectively worked and allowing for the possibility that the worker may find another job, we have: (52 weeks x ¾ credits per week x $73) x 80%/1,984 hours=$1.15.

TABLE 8.—ESTIMATED HOURLY COSTS OF OVERTIME VERSUS REHIRING WORKERS—SELECTED ITEMS—HOURLY RATED AUTO COMPANY WORKERS, 1947–72 [1]

	1947	1972
Estimated average hourly wage rate as of Jan. 1, 1972	$1.38	$4.83
Wage cost if overtime is worked:		
At time and one-half	2.06	[2] 7.35
At double time	2.75	[2] 9.76
Wage cost if workers are rehired and then laid off:		
Vacation pay allowance	.11	.39
Holiday pay	.03	.23
Shift premium	.07	.24
Supplemental unemployment benefits	0	.74
Pensions	0	.34
Insurance	.01	.67
Social security taxes	.01	.30
Federal unemployment compensation	.28	[3] .03
State unemployment compensation		1.15
Total	1.89	8.92

[1] See app. A for assumptions underlying this table and app. B for an explanation of each item.
[2] Includes average current contribution of $0.10 to supplemental unemployment benefit fund.
[3] Assumes worker is rehired for 18 weeks or less. See app. B, par. (10), item (a).

APPENDIX A

We made several assumptions in constructing the 1972 figures in the attached table and took various facts into consideration, as follows:

1. Hourly costs of benefits like vacation pay, holiday pay, etc., are averaged over hours worked, i.e., they decrease with overtime. However, the difference between labor costs averaged over a 40-hour week and costs averaged over a 40-hour week plus overtime is a small proportion of overtime costs and has been disregarded here. It should be kept in mind that this results in a slight overstatement of overtime costs, since the same costs averaged over more than 40 hours worked will be less than the cost averaged over 40 hours.

2. We assume that there is no shift premium when overtime hours are worked. All overtime takes place as part of a single morning shift. In the same way we assume

[1] This assumption, together with the one regarding length of hire, assures that the worker will be eligible for unemployment compensation, and that his last employer (the auto company) will be debited first with the amount of U.C. benefits when he is laid off.

[2] This depends strictly upon assumption (4) in Appendix A, stating that the worker is rehired during at least 13 weeks and at most 26 weeks. If he worked less than 13 weeks, he would get 0 hours of pay allowance; if he worked more than 26 weeks, he would still get 40 hours, spread over more hours worked. Thus the relationship above only holds for the assumed range.

[3] This figure is consistent with our assumption regarding length of recall. If the worker were recalled for a period which earns him more than $9,000, the cost of Social Security taxes per hour worked would be lower than $.28.

there is no overtime when the company recalls workers rather than scheduling overtime. This tends to understate the cost of the recall policy, since there is probably some emergency overtime in any case.

3. The cost of Supplemental Unemployment Benefits for the recalled workers is based upon the amount the worker is eventually expected to draw from the Fund, as computed in Appendix B. This averages 74 cents per hour worked. It is true that the maximum *immediate* cost to the company is only 10 cents per hour contribution to the SUB Fund, but if the worker is later laid off and draws more out of the Fund than was contributed on his behalf, the company will be required to make up the excess payout by continuing to contribute longer to the maximum rate for the remaining workers, until the Fund reaches a level at which the contribution falls below the maximum.

4. The recalled worker is a Michigan resident; he is married, his spouse does not work and they have one child. He has slightly over two years of service and had been on layoff status for a period of time such that his only vacation credits are those he earns during the period he is recalled. In the meantime, he has worked for at least one week at another job. He is recalled for a period of at least 13 weeks[1], at most 26 weeks. In view of the period of employment, it is also assumed that he receives pay in lieu of vacation rather than vacation time off. We assume that the company expects him to have future periods of employment with it, which will eventually entitle him to vested pension rights.

5. For every recalled worker there is a corresponding increase in the afternoon shift, and therefore a shift premium payment equal to five percent of the average base wage.

6. When he is recalled, the worker has exhausted his eligibility for unemployment compensation and for Supplemental Unemployment Benefits. As we assume he will be eventually laid off, the costs of unemployment benefits are computed by charging the amount of such benefits for which the worker would be eligible to the hours he actually works. However, we have assumed that 20 percent of the layoff time is represented by workers who find other jobs or for other reasons do not collect unemployment benefits. For the other 80 percent of layoff time, it is assumed that benefits are collected for the full period of eligibility.

The 1947 figures should be regarded as describing a benefit structure different from the present one. With respect to vacation pay, if the worker was employed during the week of July 2 or laid off after May 1, he received 40 hours pay. If laid off before May 1, he had to work 75 percent of the 52 weeks in the period July 1946-June 1947. If he was eligible for a vacation, its cost would average out at $.05 per hour if he worked 26 weeks, or $.11 per hour if he worked 13 weeks (as shown in the table). With respect to the cost of unemployment compensation, if the worker worked less than 15 weeks the figure would range up to $.38 per hour. Otherwise the figure was $.28 as shown in the table.

[1] This assumption, together with the one regarding other work experience, assures that the worker will be eligible for unemployment compensation, and that his last employer (the auto company) will be debited first with the amount of U.C. benefits when he is again laid off.

Appendix B

A worker whose characteristics were described in Appendix A is recalled in lieu of scheduling overtime for active workers. The average hourly costs of labor for such worker were computed as follows:

1. Hours Effectively Worked—There are 2080 hours in a year of 52 weeks and 40 hours a week. Under the 1970 auto contracts, workers get 12 paid holidays. Therefore, yearly, hours effectively worked: 2,080—96=1,984.

2. Vacation Pay Allowance—Since the worker has two years of service, his hours of vacation pay allowance averaged over hours effectively worked are: 80/992=.0806.[1] The cost of his vacation pay averaged over hours worked is: (80 hours×$4.83)/992 hours=$.39[2].

3. Holiday Pay—The cost of holiday pay (12 days a year) averaged over hours effectively worked is: (12 days×8 hours×$4.83)/1,984 hours=$.23. It is assumed that if he works less than a full year he gets only a proportionate number of paid holidays, so that the cost per hour remains the same.

4. Shift Premium—Five percent shift premium amounts to an hourly cost of: 5% × $4.83=$.24.

5. Supplemental Unemployment Benefits—According to the auto contracts, the regular benefit payable to an eligible employee is an amount which, when added to his state benefit and other compensation, will equal 95 percent of his weekly after-tax pay minus $7.50. For each week of work he earns one-half credit (one credit is equal to one week of benefits). The amount of credits per hour worked is: (.5×52 weeks)/1,984 hours=.0131. The average weekly wage is: $4.83×40 hours=$193.20. Weekly federal, state and local[3], and Social Security taxes amount to $33.78. The laid-off worker will be entitled to unemployment compensation, as by assumption he has worked at least 14 weeks in the last year. In Michigan, his state unemployment benefit amounts to $73 a week. His weekly supplemental unemployment compensation is: ($193.20—$33.78)×95%—$73.00—$7.50=$70.95. The same cost averaged over hours effectively worked and taking into consideration the possibility that the worker may find another job is: $70.95×.0131 credits per hour×80%=$.74[4].

6. Pensions—We have assumed that the average hourly cost of this benefit has increased by $.03 due to 30-and-out provisions in the second year of the current contract. This is a preliminary estimate. Average hourly cost of pension: $.34.

7. Insurance—We assume expected 1972 rates for hospital, medical and prescription drug expense coverage. The average hourly cost of these benefits (which include life and accident insurance) for a worker with a family is: $.67.

8. Old-Age and Disability Insurance (Social Security)—According to the 1971 Amendment to the Social Security Act, the employer is required to make a contribution of 5.2 percent of the workers' earnings up to $9,000 a year. Earnings per hour worked (average wage plus holiday pay plus vacation pay plus shift premium) amount to: $4.83+$.39+$.23+$.24=$5.69. Social Security taxes per hour worked are 5.2%×$5.69=$.30.[5]

9. Federal Unemployment Insurance—The net effective FUTA tax rate for most employers is .5 percent, and the taxable wage base in 1972 is $4,200. Earnings per hour as in (8) above are $5.69.

(a) If the worker is rehired for a period roughly equal to or shorter than 18 weeks, FUTA taxes per hour worked are: 0.5%×$5.69=$.03.

(b) If the worker is rehired for a period longer than 18 weeks, FUTA taxes per hour worked decrease as the length of his recall period increases. At 26 weeks, FUTA taxes per hour worked are: (0.5%×$4,200)/922 hours=$.02.

10. Unemployment Compensation—The unemployed workers receives three full weeks of benefits for every four credit weeks in his base year. Given the size of his family and his average weekly wage, his weekly benefit rate is $73. Distributing the cost of unemployment compensation over the number of hours effectively worked and allowing for the possibility that the worker may find another job, we have: (52 weeks×¾ credits per week×$73)×80%/1,984 hours=$1.15.

Footnotes

[1] This depends strictly upon assumption (4) in Appendix A, stating that the worker is rehired during at least 13 weeks and at most 26 weeks. If he worked less than 13 weeks, he would get 0 hours of pay allowance; if he worked more than 26 weeks, he would still get 80 hours, spread over more hours worked. Thus the relationship above only holds for the assumed range.

[2] If the worker had accumulated vacation credits by working off and on for the company before being recalled for the present period, his vacation pay allowance would be higher. For example, if he had worked during at least 13 pay periods before he would be entitled to 80 hours of vacation pay allowance provided the length of the recall period is at least 13 weeks, as assumed. Then, the hourly cost of his vacation pay would be: $386.40/992 hours=$.39 if he is recalled for 26 weeks; $386.40/496 hours=$.78 if he is recalled for 13 weeks.

[3] This is an average figure for the State of Michigan.

[4] The worker who has at least one year of seniority gets Guaranteed Annual Income Credit Units under the Supplemental Unemployment Benefits plan. It is difficult to produce an average figure for this benefit unless very strict assumptions about length and time of recall are made. The omission results in an understatement of average hourly SUB costs, but on the other hand there is probably an overstatement in assuming that 80 percent of benefit eligibility is completely used up.

[5] This figure is consistent with our assumption regarding length of recall. If the worker were recalled for a period which earns him more than $9,000, then the cost of Social Security taxes per hour worked would be lower than $.30.

TABLE 9.—U.S. CAR AND TRUCK PRODUCTION BY MAKER—1965-71

Year	Total	GM	Ford	Chrysler	AMC
Cars:					
1965	9,329,104	4,949,408	2,565,776	1,467,553	346,367
1966	8,598,917	4,448,634	2,425,442	1,445,616	279,225
1967	7,406,788	4,117,810	1,696,224	1,363,696	229,058
1968	8,843,031	4,592,077	2,396,924	1,585,591	268,439
1969	8,219,463	4,421,002	2,163,109	1,392,454	242,898
1970	6,545,908	2,979,187	2,017,152	1,273,459	276,110
1971	8,578,314	4,853,007	2,176,332	1,313,306	235,669

Year	Total	GM	Ford	Chrysler	[1] AMC
Trucks:					
1965	1,785,109	756,396	547,427	143,452	337,834
1966	1,764,337	748,711	526,408	153,139	336,079
1967	1,585,481	680,322	426,619	141,865	336,675
1968	1,950,713	828,978	623,272	173,769	324,694
1969	1,693,099	833,874	639,948	165,133	324,144
1970	1,716,749	612,719	626,585	178,584	229,861
1971	2,073,174	911,439	628,145	204,766	328,824

[1] Includes AMC's Jeep.

Source: Ward's Automotive Year Book; Ward's Automotive Reports.

TABLE 10.—PRODUCTION WORKER EMPLOYMENT, MOTOR VEHICLES AND EQUIPMENT INDUSTRY—JANUARY 1965 TO DECEMBER 1971

[In thousands]

Month	1965	1966	1967	1968	1969	1970	1971	Month	1965	1966	1967	1968	1969	1970	1971
January	648.3	677.6	670.7	679.2	724.0	697.2	680.7	July	651.1	608.1	567.0	674.2	651.4	603.4	623.1
February	648.6	685.5	661.7	677.8	714.8	609.8	676.5	August	560.4	518.0	534.0	535.9	697.9	574.8	631.5
March	655.5	687.7	654.0	684.2	711.0	684.3	678.1	September	627.7	692.1	574.9	704.3	738.4	688.4	697.8
April	657.6	684.0	631.1	679.0	690.0	672.7	674.9	October	687.1	702.1	576.8	714.4	738.5	397.5	689.5
May	664.0	689.7	646.2	683.9	671.9	676.0	697.0	November	696.4	709.6	670.7	718.7	727.1	385.8	693.4
June	669.3	684.5	649.0	691.6	719.0	680.5	696.8	December	695.9	704.2	686.8	725.8	728.7	672.1	[1] 692.0

[1] Preliminary.

Source: Bureau of Labor Statistics.

EXPLANATORY NOTE

THE DECREASING EFFECTIVENESS OF THE TIME AND ONE-HALF PROVISION AS A DETERRENT TO OVERTIME—FRINGE BENEFIT COSTS

The faster growth of fringe benefits than of wages since 1938 has shifted the balance in the costs that employers weigh when deciding between overtime and an increase in their number of employees.

The fringe benefits in question are those whose costs vary with the number of workers employed (or laid off) rather than with the overtime hours worked. Most fringe benefit costs are fixed or have a fixed maximum (e.g. Social Security and unemployment insurance) or are based on straight time hours only. They arise out of legislation and collective bargaining. The legislated fringe benefits include Social Security (taxes for which are much higher than in 1938) and unemployment compensation. Among the negotiated fringe benefits are paid vacations, paid holidays, supplementary pensions, life insurance, sickness and accident insurance, hospital-medical-surgical insurance, and supplemental unemployment benefits (SUB). Negotiated fringe benefits of these types were either totally non-existent in 1938, or, insofar as production workers were concerned, negligible in their coverage and cost.

In 1938 employee remuneration consisted almost exclusively of cash wages and salaries with the straight-time earnings of production workers in manufacturing averaging $.62 per hour. Thus, given the time and one-half requirement, on the average an employer was required to pay $.93 an hour for each hour of overtime.

Employer payments for Social Security and fringe benefits at the time amounted to only 5 percent of the hourly rates of such workers; however, since 1938 employer payments for supplementary benefits have increased and today average 25.1 percent of such wage rates. Overtime payments however, are, for the most part, based on cash wages only.

During World War I legal restrictions on wage increases resulted in the substitution of fringe benefit increases for cash wage increases—a trend which continued after the war even though a labor surplus existed. This practice further eroded the overtime premium as a deterrent to excessive overtime.

By 1962 hourly earnings had increased to $2.31 an hour and fringe benefits to $.57 an hour.

In 1962 an employer was paying $2.88 for a straight-time hour ($2.31 in cash & $.57 in fringes) and $3.47 an hour for overtime to production workers in manufacturing—a premium overtime rate of 1⅕ the straight time rate.

By September 1970, hourly earnings had increased to $3.29 an hour and fringe benefits to 25.1% of basic wages, or $.82 an hour. In the average, therefore, in 1970 an employer was paying $4.21 an hour ($3.29 in cash and $.82 in fringes) for a straight time hour and $4.93 an hour for an overtime hour, or only 1.15 times as much for an overtime hour as for a straight time hour.

The increase in fringe benefit costs has thus cut the effectiveness of the time and one-half premium for overtime by 40–50 percent.

FEDERAL COURT JURISDICTION ACT OF 1971—AMENDMENT

AMENDMENT NO. 1169

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BURDICK. Mr. President, I am submitting today for appropriate reference an amendment to S. 1876, the Federal Court Jurisdiction Act of 1971.

The American Law Institute proposed certain procedural refinements in three-judge court proceedings to eliminate a number of jurisdictional questions and to allow these courts to function more smoothly. These proposals, first presented in 1966, are embodied in S. 1876 as the proposed sections 1374–76 of title 28.

However, since those proposals on three-judge courts were first advanced, judicial and scholarly thinking has suggested that mere refinement of procedure may not be sufficient. Rather, the Judicial Conference has recommended the elimination of three-judge courts in suits challenging the constitutionality of State or Federal laws except where expressly required by act of Congress. The Judicial Conference proposal is currently embodied in H.R. 3805.

In response to the recommendation of the Judicial Conference, it is proposed to amend S. 1876. While this amendment is intended to accomplish the same objective as H.R. 3805—the elimination of three-judge courts in constitutional litigation—it is believed that the specific procedures employed in the Senate version will be more effective in removing the burden on the courts.

It may be helpful in evaluating this amendment to S. 1876 and comparing it to H.R. 3805 to explain the functioning of the present law and its effects on courts and litigants.

THE PRESENT LAW

Under current law, a Federal district court may not grant an injunction restraining the enforcement of a State or Federal statute on the ground of its unconstitutionality unless the application for the injunction has been heard and determined by three judges, instead of the usual single judge court. This is required by sections 2281 and 2282 of title 28, United States Code. Decrees of three-judge courts granting or denying an injunction are appealable directly to the Supreme Court under section 1253 of title 28, while most single judge district court judgments are appealed to the circuit court of appeals, with further review in the discretion of the Supreme Court.

This extraordinary procedure was originally designed to protect State and Federal legislative programs from hasty invalidation. It was felt that the combined wisdom and maturity of three judges, including one circuit court judge, would guarantee a more careful finding of the facts and deliberation on the issues before a statute was enjoined. However, the three-judge court procedure, initiated in response to particular problems of the earlier part of the century, has recently been termed by one scholar, "the single worst feature in the Federal judicial system as we have it today." It has imposed a considerable burden on the Federal courts and has provided a constant source of uncertainty and procedural pitfalls for litigants. It is frequently difficult to summon a second district judge and a judge of the court of appeals without delaying other vital judicial work. The direct appeal to the Supreme Court is contrary to the general scheme giving the Court substantial control over its own docket. It is immensely difficult to know when a case comes within the statutes requiring three judges, and it is even more difficult to know which court has jurisdiction over appeals of decisions involving the convening or refusal to convene a three-judge court.

The number of these burdensome hearings and appeals is on the increase. From fiscal years 1963 to 1971, three-judge court hearings increased from 129 to 318, or 147 percent, but from 1969 to 1971 alone the increase was 103 or 60 percent. During the 1970–71 Supreme Court term, direct appeals from three-judge courts constituted 34 of the 151 cases argued—more than 22 percent.

PROPOSED AMENDMENT TO S. 1876

The proposed amendment to S. 1876 would do away with this burdensome procedure by eliminating three-judge courts in all constitutional cases except those involving reapportionment. It is felt that because of the importance of these cases, they should continue to be heard by three Federal judges. In addition, the legislation does not affect three-judge courts required by other special congressional enactment; that is, for certain Interstate Commerce Commission orders, and under the Expediting Act, the 1964 Civil Rights Act, and the 1965 Voting Rights Act.

The interests of the State and Federal Governments in suits challenging the constitutionality of their laws will be protected by means other than three-judge trial courts, and the appeals procedure in such cases will be brought in line with that in other Federal court cases.

Adequate procedures for safeguarding Federal laws have already been enacted. If a suit attacking the constitutionality

of a law of Congress is instituted, the United States may intervene as a party under current section 2403, title 28, United States Code. Should the district court invalidate the law as unconstitutional, any party to the suit may appeal the decision directly to the Supreme Court under section 1252, title 28 United States Code.

If the constitutionality of a State law is challenged, the proposed amendment would allow the State to intervene as a party. Should the State law be invalidated, the State has a right of appeal to the circuit court of appeals, under section 1291, title 28 United States Code. If the court of appeals decision is unfavorable to the State, review of the Federal question may be had in the Supreme Court by appeal under section 1254(2), title 28, United States Code.

COMPARISON OF AMENDMENT TO S. 1876 TO H.R. 3805

While the basic theory of amendment No. 1169 and its House counterpart, H.R. 3805, is the same—the elimination of three-judge courts in suits challenging the constitutionality of State or Federal laws—the bills differ in one major respect. H.R. 3805 would amend title 28, United States Code, by adding a new section 1259. This section would permit direct appeals from district court decisions enjoining State as well as Federal laws as unconstitutional, provided the attorney general of the government involved filed a statement that immediate consideration of the appeal by the Supreme Court was "of general public importance in the administration of justice." The Supreme Court would have the discretion to dispose of the case on the merits or remand the case to the court of appeals. On the other hand, amendment No. 1169 relies on the existing procedures for appeal of such decisions, and extends section 2403, title 28, United States Code, to safeguard the States interests by allowing State intervention in suits challenging State laws. It is felt that the appeals methods of amendment No. 1169 are preferable to those of H.R. 3805: it relies on the familiar, existing procedure; it allows speedy, final decisions where necessary; and it avoids the awkward procedure of direct appeal of all decisions to the Supreme Court, with the possibility of subsequent remand to the court of appeals.

CONCLUSION

The elimination of the jurisdictional intricacies of three-judge court cases proposed in this amendment to S. 1876 will be beneficial to litigants who are now puzzled as to what kind of court their claim requires. It should end many frivolous but colorable disputes over jurisdictional questions. It will allow for a more effective use of judicial time and more efficient judicial administration. The courts then will be free to focus on the merits of the controversy—the purpose for which they are created—to the ultimate benefit of all our citizens.

Mr. President, I wish to acknowledge the suggestions of Prof. Charles A. Wright of the University of Texas Law School in preparing this amendment, and I ask unanimous consent that it be printed in the RECORD at this point.

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

AMENDMENT No. 1169

On page 40, beginning with line 12, strike out through line 13 on page 42 and insert in lieu thereof the following:

"§ 1374. Three-judge court; when required

"A district court of three judges shall be convened when otherwise required by Act of Congress, or when an action is filed seeking Congressional reapportionment or the reapportionment of any State-wide legislative body.

"§ 1375. Three-judge court; composition; procedure

"In any action or proceeding required by Act of Congress or Section 1374 of this title to be heard and determined by a district court of three judges, the composition and procedure of the court, except as otherwise provided by law, shall be as follows:

"(a) The district judge to whom the application for injunction or other relief is presented shall constitute one member of such court. On the filing of the application, he shall immediately notify the chief judge of the circuit, who shall designate two other judges, at least one of whom shall be a circuit judge. Such judges shall serve as members of the court to hear and determine the action or proceeding.

"(b) In any such case in which an application for a preliminary injunction is made, the district judge to whom the application is made may, at any time, grant a temporary restraining order to prevent irreparable damage. The order, unless previously revoked by the district judge, shall remain in force only until the hearing and determination by the full court. It shall contain a specific finding, based upon evidence submitted to such judge and identified by reference thereto, that specified irreparable damage will result if the order is not granted.

"(c) In any such case the application shall be given precedence and assigned for a hearing at the earliest practicable day. Two judges must concur in granting the application.

"(d) Any one of the three judges of the court may perform all functions, conduct all proceedings except the trial, and enter all orders required or permitted by the rules of civil procedure. A single judge shall not appoint a master or order a reference, or hear and determine any application for a preliminary injunction or motion to vacate the same, or dismiss the action, or enter a summary or final judgement. The action of a single judge shall be reviewable by the full court at any time before final hearing.

On page 69, between lines 9 and —, insert the following:

(k) Section 2403 of title 28, United States Code is amended—

(1) by inserting the subsection "(a)" immediately before "In" and

(2) by adding at the end thereof the following new subsection:

"(b) In any action, suit or proceeding in a court of the United States to which a State or any agency, officer or employee thereof is not a party, wherein the constitutionality of any statute of that State affecting the public interest is drawn in question, the court shall certify such fact to the Attorney General of the State, and shall pemit the State to intervene for presentation of evidence, if evidence is otherwise admissible in the case, and for argument on the question of constitutionality. The State shall, subject to the applicable provisions of law, have all the rights of a party and be subject to all liabilities of a party as to court costs to the extent necessary for a proper presentation of the facts and law relating to the question of constitutionality."

On page 69, line 10, strike out "(k)" and insert in lieu thereof "(1)".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 999

At the request of Mr. CHURCH, the Senator from Alabama (Mr. SPARKMAN), the Senator from Delaware (Mr. BOGGS), the Senator from Connecticut (Mr. RIBICOFF), the Senator from New York (Mr. JAVITS), and the Senator from Mississippi (Mr. EASTLAND) were added as cosponsors of amendment No. 999, intended to be proposed to the bill (H.R. 1), to amend the Social Security Act to increase benefits and improve eligibility and computation methods under the OASDI program, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis on improvements in their operating effectiveness, to replace the existing Federal-State public assistance programs with a Federal program of adult assistance and a Federal program of benefits to low-income families with children with incentives and requirements for employment and training to improve the capacity for employment of members of such families, and for other purposes.

AMENDMENT NO. 1074

At the request of Mr. CASE, the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of amendment No. 1074, intended to be proposed to the bill (S. 3108), to authorize appropriations during the fiscal year 1973 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons.

AMENDMENT NO. 1075

At the request of Mr. CASE, the Senator from Pennsylvania (Mr. SCHWEIKER) and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of amendment No. 1075, intended to be proposed to the bill (S. 3200) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations.

AMENDMENT NO. 1103

At the request of Mr. WILLIAMS, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Rhode Island (Mr. PASTORE), the Senator from Iowa (Mr. HUGHES), and the Senator from Wyoming (Mr. MCGEE) were added as cosponsors of Amendment No. 1103, intended to be proposed to the bill (H.R. 1), supra.

NOTICE OF HEARINGS ON CERTAIN BILLS

Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Securities of the Committee on Banking, Housing and Urban Affairs will hold hearings on the bills, S. 2551, S. 3297, and S. 3412, relating to the clearance and settlement of securities transactions.

The hearings will be held on Tuesday, Wednesday, and Thursday, May 9, 10, and 11, 1972, and will begin at 10 a.m. each day in room 5302, new Senate Office Building.

Persons wishing to testify or to submit written statements in connection with these bills are requested to contact Mr. Kenneth D. Stephens, Subcommittee on

Securities, Room 512, Senate Annex, Washington, D.C. 20510; telephone 225–9150.

NOTICE OF HEARING ON NOMINATION

Mr. PROXMIRE. Mr. President I wish to announce that the Committee on Banking, Housing and Urban Affairs will hold a hearing on the nomination of Mary Hamilton, of Illinois, to be a member of the Price Commission.

The hearing will be held on Tuesday, May 2, 1972, and will commence at 10 a.m. in room 5302, New Senate Office Building.

NOTICE OF HEARING ON S. 3307

Mr. HRUSKA. Mr. President, on behalf of the Subcommittee on Federal Charters, Holidays, and Celebrations of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, May 2, at 10 a.m. in room 1318, New Senate Office Building. The hearing will seek information on S. 3307, a bill to amend the joint resolution establishing the American Revolution Bicentennial Commission.

Any person desiring to appear and give testimony should contact the subcommittee in room 2226, New Senate Office Building before that date.

The subcommittee consists of the Senator from Arkansas (Mr. McCLELLAN) and myself, chairman.

NOTICE OF HEARINGS ON THE STATUS OF COMPETITION AND ROLE OF SMALL BUSINESS IN GOVERNMENT PROCUREMENT OF DRUGS

Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Monopoly of the Select Committee on Small Business will resume its hearings on competitive problems, the role of small business, the efficiency and economy of Federal agencies and departments in the procurement and use of drugs.

The hearings will be held on May 9 and 10, 1972, in room 318, Caucus Room, of the Old Senate Office Building starting at 10 a.m. each day.

NOTICE OF HEARINGS

Mr. RIBICOFF. Mr. President, the Subcommittee on Executive Reorganization and Government Research of the Committee on Government Operations will continue hearings on titles I and II of S. 3419, the Consumer Safety Act of 1972, next Tuesday and Wednesday, May 2 and 3, in room 3302, New Senate Office Building at 10 a.m.

NOTICE OF HEARING ON NOMINATIONS

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 Thursday, May 4, 1972, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

James M. Burns, of Oregon, to be a U.S. district judge for the District of Oregon, vice Gus J. Solomon, retired.

Otto R. Skopil, Jr., of Oregon, to be a U.S. district judge for the District of Oregon, vice Alfred T. Goodwin, elevated.

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 HEARING ON H.R. 13752 PROVIDING FOR THE INTERIM LICENSING OF CERTAIN THERMAL ELECTRIC GENERATING PLANTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Washington (Mr. JACKSON) announcing a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JACKSON

On Friday, April 28, 1972, the Senate Committee on Interior and Insular Affairs has scheduled a hearing to receive testimony on H.R. 13752, amending the National Environmental Policy Act of 1969 to provide for the interim licensing of the operation of certain thermal electric generating plants and for other purposes.

The hearing will convene at 10 a.m. in room 3110 of the New Senate Office Building to receive testimony from:

James R. Schlesinger, Chairman, Atomic Energy Commission.

Dr. Gordon MacDonald, Member, Council on Environmental Quality.

John R. Quarles, Jr., Assistant Administrator for Enforcement and General Council, Environmental Protection Agency.

William B. McGuire, Chairman, National Electric Reliability Council and accompanied by Jack J. Kearney, Edison Electric Institute.

Anthony Z. Roisman on behalf of Sierra Club, Environmental Action, Environmental Policy Center, Friends of the Earth, and Union of Concerned Scientists.

Other affected parties are invited to submit statements for the RECORD which will remain open until May 5, 1972.

NOTICE OF HEARINGS ON FEDERAL COURT JURISDICTION

Mr. BURDICK. Mr. President, as chairman of the Senate Judiciary Committee's Subcommittee on Improvements in Judicial Machinery, I wish to announce that hearings will be held for the consideration of S. 1876, the Federal Court Jurisdiction Act of 1972.

The hearings will be held on May 2, 3, and 4 in room 2228, New Senate Office Building, beginning at 10 a.m. each day.

On May 2 and 3, testimony will be received involving the United States as a party.

Those who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on Improvements in Judicial Machinery, 6306 New Senate Office Building.

NOTICE OF HEARING ON NOMINATION

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 Thursday, May 4, 1972, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nomination:

Norm C. Roettger, Jr., of Florida, to be a U.S. district judge for the Southern District of Florida, vice Ted Cabot, deceased.

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.

ADDITIONAL STATEMENTS

SUPPORT FOR PRESIDENT NIXON'S POSITIONS

Mr. BUCKLEY. Mr. President, I wish to record my strong support for the positions which President Nixon outlined in his report to the American people last night.

He has reaffirmed our longstanding willingness to pursue constructive negotiations for a political termination of the current hostilities. At the same time he has set to rest any questions as to our intention to continue to pound the military targets in North Vietnam which are supporting and supplying the current massive invasion of the South until such time as the invading North Vietnamese divisions are withdrawn from South Vietnam.

I can think of no more effective way to persuade Hanoi to abandon its dreams of a military conquest and to turn instead to good faith negotiations than for us to maintain these military pressures against the North.

I can think of no action better designed to maintain the credibility of American alliances in Asia and elsewhere than this firmness on the President's part in the face of the political pressures of an election year. If any more proof were needed, the President's statement last night makes it absolutely clear that a withdrawal of American forces pursuant to the policy of Vietnamization is not tantamount to the abandonment of an ally.

The fact that we should announce at this time the withdrawal of an additional 20,000 Americans from Vietnam—more than a third of those still stationed there—is in itself excellent news because of the confidence which it reflects in the success of the Vietnamization program. Critics of that

program tend to ignore the facts which demonstrate that success.

All we need do is to look back to the Tet offensive in the spring of 1968 to see how well the South Vietnamese have learned to defend themselves on the ground. At that time, more than 500,000 Americans were stationed in Vietnam, and they bore the major burden of turning back the savage attacks which had been unleashed by the North Vietnamese. Yet we lost far more ground in the first few weeks of those offensives than the South Vietnamese have yet lost since the North Vietnamese crossed the DMZ in force.

To me, what is surprising is that the South Vietnamese have not suffered larger reverses; and in the probable event that the highly trained, superbly equipped North Vietnamese divisions will here and there capture some important objectives, I trust that the President's critics will exhibit the prudence to withhold the announcement of a decisive victory for the North Vietnamese and decisive defeat for the American policy of Vietnamization until all the returns are in. Just as the Communists were ultimately routed from Hue and other cities they had seized in the 1968 offenses, so have we every reason to believe that in good time they will be forced to give up the territories now seized by them.

This American, and I suspect millions upon millions in Southeast and Eastern Asia as well, sleep a little bit better at night knowing that we have as our Commander in Chief a man with the firmness and the judgment to meet the Communist offensive as the President has done.

COMPETITION IN THE AIRLINE INDUSTRY

Mr. HART. Mr. President, regulation of natural monopoly industries is a complex and trying task. It may—in fact—be an impossibility due to the marked tendency for the regulators to become regulated by the regulated.

The problem of how to cope with regulated industries has perplexed a number of us in this body for some time.

In fact, twice the majority leader (Mr. MANSFIELD) has introduced proposed legislation which would abolish one such agency—the ICC—because he feels it serves the country so poorly. Several of us have announced that we agree the idea deserves serious consideration.

Today my concern returns to another agency which has troubled me by its actions for the past few years—the CAB.

Many Senators may recall the highlights of last year's chapter in the history of the CAB. It was the tail end of the recession, and many airlines—cost plus entities—were in the red. The CAB had several ideas of how to alleviate that situation. However, most of them were aimed at the target that seems so to trouble the airlines themselves—the last few vestiges of competition left in the industry. Most of the steps taken and proposed by the CAB seemed guaranteed to further economic concentration, increase the number of financially unstable airlines, promote mergers and the international rate cartel and reward consumers with higher costs and greater discomforts.

In short, some suggested the CAB seemed determined to demonstrate how little the intent of Congress in establishing these agencies means in their day-by-day operations.

In airline regulation, Congress has directed the CAB to take account of the public interest in performing its duties. The public interest has been defined to include "competition to the extent necessary to assure the sound development of an air transportation system"—49 U.S.C. 1302(d). Mergers and consolidations are to be tested by antitrust standards, 49 U.S.C. 1378(e); interlocking relationships are generally prohibited, 49 U.S.C. 1379; and, unfair or deceptive acts or practices or unfair methods of competition are subject to CAB cease-and-desist orders, 49 U.S.C. 1381. Congress recognized that the regulatory process could be subverted by eliminating all vestiges of competition in the industry and that the death of competition would harm the public interest. Congress sought to protect the public interest, the regulatory process and the industry by building competition into the CAB's statutory charter as a way to maximize efficiency at the lowest cost and the highest benefit.

The recent economic downswing demonstrated Congress' wisdom in making competition a keystone of regulation. Rate regulation is essentially a guaranteed recovery of cost, plus a guaranteed rate of return for establishing a product or service price. There is an inherent weakness in the existing rate regulation system since there is little incentive to reward those who keep costs down. In fact, in regulated monopoly industries there is a built-in incentive to constantly expand the rate base in order to maintain or expand return. The monopolist subject to cost-plus regulation must prevent the erosion of the rate base by depreciation.

The old adage, "the more you spend, the more you make," has a unique relevance to the regulated monopoly. Thus, inefficiencies, poor management, and other factors incapable of measurement except by a competitive yardstick, can push costs up and squeeze the rate of return.

The natural response of the regulated is to seek rate increases, minimize fringe competitive pressures, or seek efficiencies inside or outside their own companies. This happened in the airline industry last year. In hearings before the Aviation Subcommittee of the Commerce Committee last year, the major airlines attributed severe financial losses to excessive competition as a result of new route awards, inadequate rates, inflation, nonschedule airline competition, and the recession. The remedies proposed for the red ink included higher rates, cutbacks on duplicating service by agreements among competitors, the curbing of nonschedule competition by restrictive charter rules, and mergers. The CAB responded by sanctioning service cutbacks, proposing charter regulations, imposing rate increases and then began active consideration of various merger proposals. In the interim, many airlines responded by cutting costs and upping efficiency—a sanction of the competitive process that is painful to bear but of prime benefit to the public and, ultimately, the industry. Acknowledging the concern and the efforts of the regulators, the existence of competition, limited though it may be, and the availability of competitive yardsticks to measure performance did more to correct the red ink than the actions of the Board.

Yet the industry is continuing to press the proposal that mergers are the salvation of the industry. Three significant merger proposals are presently pending: American-Western, National-Northwest, and Delta-Northeast. The explicit assumption in the drive for mergers is that economies of scale can be realized by integrating existing carriers. An implicit assumption is that competition is the enemy of economies of scale in the airline industry. I am not convinced of either assumption.

During 1970 three of the big four in the industry had operating losses while five of the smaller six had operating profits. By every index of efficiency I have seen, the smaller six outstripped the big four lines in efficient utilization of their equipment and manpower. But even aside from the debate about economies and diseconomies of scale, these proposed mergers have grave implications for the future structure of the industry and the potential for effective regulation.

It is a well-known phenomenon of mergers in regulated industries where entry is restricted that mergers beget mergers ad infinitum—ad disaster. The litany of modern mergers in the railroad industry began in 1958 with Norfolk & Western and the Virginian. That merger ended the New York Central's access to the Pocahontas coal region. The Central sought protection through an attempted merger with the B. & O.; only to see the B. & O. flee to the arms of the C. & O. This merger in turn begot the N. & W., Nickel Plate, and Wabash merger, further threatening the jilted New York Central. The Central finally merged with the Pennsylvania; a marriage which not only ended in disaster, but which also triggered further merger proposals still pending in the railroad industry. Each merger not only further concentrated the industry and put more of our economic railroad eggs in fewer baskets, but also made the ability of Government to regulate effectively even more doubtful.

There is a direct correlation between the size of the regulated and the ability of the regulator to be effective. If one doubts this, he need only recall the spectacle of the Penn Central which all the ICC's horses and all the ICC's men apparently never did put together to begin

with and never did regulate before it tumbled off the wall. The bankruptcy court now is trying to put all the pieces together. Of more recent vintage is the spectacle of the FCC abdicating its responsibility to regulate A.T. & T.—"because it is too big."

The merger pattern of the railroad industry can be detailed also in other regulated industries such as trucking, banking and the merchant marine.

The urge-to-merge in response to mergers which disrupt the normal competitive pattern is particularly exaggerated in an industry dominated by a few firms.

In the airline industry, the top four have more than 70 percent of the market, leaving the smaller airlines threatened by a major merger with few potential marriage partners. If they are to survive major competitive changes in the industry's structure, shotgun weddings are likely on a grand scale. Thus, if a merger like American-Western or National-Northwest is approved, it is highly probable that a rash of major mergers totally restructuring the industry into four or five companies will follow.

The major victim would be the congressionally mandated policy of competition—with its attendant benefits of a spur to efficient management, creative innovation, lower costs, better service, decentralization of decisionmaking, dispersal of the potential political, social, and economic power, and multiplicity of economic opportunity for the individual in different firms.

American and Western, as well as Northwest and National, are economically healthy airlines; and I am not convinced that compelling reasons have been cited to justify the sacrifice of competition.

Allowing such mergers and inviting all the others that would follow would not only do a disservice to the public but would further undermine the regulatory process. Regulation is accepted in lieu of competition only because of the promise that it will—like competition—effectively protect and promote the public interest by an efficient allocation of resources at the lowest cost. All too often, however, the promise has not been fulfilled. Too often the concentrated economic power of the industry has been used to overwhelm the understaffed and underfinanced regulatory process. The process responds either by burying itself in redtape and delay, acquiescing in the demands of the regulated, or abandoning any attempts to regulate.

Some may suggest that these symptoms are manifesting themselves in airline regulation. Rate cases are bogged down in redtape and delay. Charter regulations and seating configurations conform often to the demands of the industry. And the regulation of international rates is delegated to the regulated in the form of an international cartel.

Clearly, regulation in this industry is sick—and does not seem too well in several other industries.

If the trend toward concentration in regulated industries continues and the effectiveness of regulation is further undermined, our choice will no longer be competition or regulation. It will be competition or nationalization.

This is why the pending merger cases before the CAB are of grave national importance.

Mergers among healthy carriers should stop. The time has come for the regulatory process to maximize the most efficient and powerful tool of regulation—the preservation and extension of competition within the regulatory process.

NEW FOREIGN MARKETS FOR AMERICAN FOOD PRODUCTS

Mr. CURTIS. Mr. President, anytime we can open up a new foreign market for American food products, it is a plus for American agriculture and a definite gain for our economy as a whole, including our balance of trade. Therefore, I was pleased to read an article recently about the cooperation that is taking place among nations to develop uniform or dairy-uniform food standards. This article appeared in Agri Industry News, a publication of the Corn Refiners Association, Inc. I invite the attention of the Senate to the article and respectfully ask unanimous consent that the article entitled "New Food Standards: An International Flavor," written by Mr. George R. Grange, Acting Administrator of the Department of Agriculture's Consumer and Marketing Service, be printed in the RECORD.

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

NEW FOOD STANDARDS: AN INTERNATIONAL FLAVOR

(By George R. Grange)

(EDITOR'S NOTE: Mr. Grange is Acting Administrator, Consumer and Marketing Service, U.S. Department of Agriculture and serves as Chief U.S. Representative to the Codex Alimentarius Commission. He is Vice Chairman of the Commission and coordinates the efforts of all U.S. participants in the Commission's work.)

Today, through the efforts of a relatively obscure United Nations agency, the achievement of international standards for food and food products is—for the first time—a distinct possibility. The Codex Alimentarius Commission, the agency responsible for developing food standards for international use was established in 1963 by the Food and Agriculture Organization of the UN and the World Health Organization with two basic objectives in mind: (1) to protect consumers throughout the world, and (2) to overcome barriers to trade in food and food products.

Eighty-eight member nations now participate in the deliberations of the Commission. Standards are formulated by 17 committees. Six committees focus on broad issues with relevance for all food products. Another 11 committees deal with specific commodity groupings.

A detailed ten-step process governs the development and approval of a Commission standard. As the process unfolds the standard is submitted to member governments and concerned international organizations for their comments and input at two stages, first as a proposed draft standard and subsequently as a draft standard. When comments are received and appropriate amendments, if any, are made to the draft standard the Commission then may adopt it as a recommended standard and again submit it to the member governments for their acceptance or rejection. It is here that the efforts of the Committee meet their key test.

In adopting a Codex standard a country may choose *full acceptance*, *target acceptance* or *acceptance with minor deviations*. *Target acceptance* indicates an intention to grant *full acceptance* after the passage of a stated period of time. However, some countries including the U.S. do not adopt standards under the *target acceptance* provision. The last category indicates *full acceptance* but with certain recognized deviations designed to meet particular national requirements.

If a country determines that it cannot grant acceptance in one of its three forms to the standard, it is asked to inform the Commission whether it will, nonetheless, permit free distribution of products meeting the standard, and in what ways its present or proposed requirements differ from the standard.

To date, some 67 recommended standards have been approved by the Codex Alimentarius Commission for submission to the member countries and associate members of the Food and Agriculture Organization and the World Health Organization.

Two points must be kept firmly in mind in regard to Codex Alimentarius food standards. First, in no way would competition among brands or consumer choice in such areas as taste preference be restricted by the application of these standards.

Differences in food quality, nutritive value and taste among competing products would continue as a result of differences in the basic food source utilized and processing procedures employed in just the same way as do competing domestic food products all of which must meet U.S. Food and Drug Administration standards. What these international standards will assure, particularly for those consumers in less developed countries which lack adequate food safety laws and inspection and enforcement procedures, is a food supply meeting basic safety requirements and minimum quality levels. It might also be pointed out that the adoption of such standards may be beneficial to highly developed nations by helping to enhance trade through the elimination of non-trade tariff barriers.

The second point is that the Codex Alimentarius Commission has no authority to impose standards on participating nations. Standards may be adopted by nations in accordance with their existing statutes and procedures governing the adoption of food standards. Hence, for example, the U.S. would adopt a Commission standard through the same machinery and in precisely the same manner as the Food and Drug Administration, or in some cases the Department of Agriculture, presently promulgate their domestic food standards.

A critical time is at hand for the work of the Codex Alimentarius Commission. With the present submissions in the hands of member governments for consideration and adoption and with further new standards expected to be submitted in the near future, we will soon learn if it is reasonable or practical to expect governments to give due weight to international as well as domestic concerns in the establishment of food standards.

EQUAL EDUCATION OPPORTUNITY

Mr. SPONG. Mr. President, I have for many years been involved in educational activities in my State of Virginia. We

have had many problems. Our record is not without blemish. I do, however, feel that the large majority of Virginians have rejected the appeals of extremists and demagogues and have demonstrated a commendable restraint in spite of the fact that they have been the proving ground for every new approach to a solution to the complex problem of meeting the constitutional rights of all children to an equal educational opportunity.

Many of the situations in our State are difficult enough as they are. It is, consequently, both counter-productive and against the best interests of education for employees of the Department of Health, Education, and Welfare to take uncooperative attitudes; to overlook obvious conflicts among various agencies and levels of government and proceed as if these conflicts did not exist; to issue conflicting letters; and to play games over the information they are seeking from local school districts and over what they are attempting to accomplish.

This is, however, exactly what has happened in my State of Virginia. Furthermore, it has happened in some districts which have, throughout the years, demonstrated good faith in complying with the laws and which have continuously devoted their efforts to improved educational opportunities.

In addition to raising questions about the general procedures of the Department of Health, Education, and Welfare, the problems which have arisen between certain Virginia school districts and HEW also raise questions about the funding procedures the President recommended in his March statement. To date, most school districts have found few problems in the operation of title I of the Elementary and Secondary Education Act, which is a formula program. While the Emergency School Assistance program, which is a project grant program, has provided some very necessary funds, it has also opened the way for officials in the Department of Health, Education, and Welfare to bring additional pressure on school districts to implement experimental programs and engage in social engineering and perhaps to require actions beyond those required by courts of law. In view of this situation, I believe any move which might lead to title I and ESAP funds being considered together would be inadvisable.

In order that my colleagues might be aware of the situations in my State, I ask unanimous consent that a copy of the letter which I sent President Nixon on April 20 be included at this point in the RECORD. Attached to that letter is a newspaper article which details the situation in Portsmouth, Va., and which demonstrates particular confusion and misrepresentation on the part of employees of the Department of Health, Education, and Welfare. I also ask unanimous consent that a copy of the letter I sent to Senator CLAIBORNE PELL, chairman of the Education Subcommittee, expressing my concern over possible changes in the funding for Federal elementary and secondary education programs be included in the RECORD.

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

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., April 20, 1972.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I had hoped that, as a result of your statements and your publicly announced position on the matter of school busing and equal educational opportunity, relations between federal departments and local school districts would not be handled in the high-handed manner which has characterized so many dealings in the past.

Unfortunately, however, there appears to be little willingness on the part of many members of the federal bureaucracy to take an attitude of co-operation toward local school districts. Because of this, I believe there are some serious questions over the desirability of portions of your recent school proposals which relate to the manner of disbursing funds.

I would like to bring to your attention three situations in my State of Virginia, situations which I believe raise serious questions about proceedings in our federal government.

One situation concerns the expertise of employees of the Department of Health, Education, and Welfare. My most blatant example of lack of "expertise" in the Department has already been brought to the attention of members of your administration. I quoted to then-Attorney General John Mitchell a deposition taken in the Norfolk school case when Mr. Mitchell appeared before the Senate Select Committee on Equal Educational Opportunity on August 13, 1970.

Following is an excerpt from that hearing:

"Mr. SPONG. I should like to read from the deposition taken on August 6 concerning the qualifications of this expert witness, who in 5 hours devised a plan that involved the fate of thousands of elementary school children in the city of Norfolk. He is being questioned by Mr. Henry Marsh, a Richmond attorney in the case. I will read questions and answers in this deposition:

Q. Have you read any of the literature in the field of desegregation by any of the experts?

A. Who are some of the experts in the field?

Q. Well, I should ask you, do you know of any experts in the field?

A. Not who've published one.

Q. Have you read any published materials on desegregation or on integration?

A. I certainly have read a—published materials on desegregation and integration. I can't quote you any authors or anything taken from context.

Q. Can you name any authors that you've read at all?

A. No.

Q. Can you relate any treatises that you've read?

A. No.

Q. Have you read "Racial Isolation"?

A. No, I haven't read it.

Q. Do you know what racial isolation is?

A. I don't know. I don't know how it's defined in that book. I haven't read the book.

Q. Do you know what the book is?

A. No, I haven't read it.

Q. Have you read the Brown decision?

A. I haven't read it. I am not a lawyer.

Q. Have you read any of the cases, any of the court cases?

A. Um-um—well——

Q. —involving desegregation?

A. I am not a lawyer, no, I don't.

Q. I didn't get your answer.

A. No.

Q. When did you take political science? What year?

A. What year?

Q. Yes, when were you in school?

A. I graduated, undergraduate degree, in 1963. So prior to that.

Q. Was it after 1954?

A. Yeah. I've studied these things in school years ago, but I haven't read—talking about the Brown decision—I haven't read them per se. I have gone through and read them.

Q. Do you know generally what the Brown decision decided?

A. I'd have to look—you are taking me back to school days now. I didn't know I was here to take a comprehensive exam in political science or law.

Q. I didn't quite get your answer. Do you know generally what the Brown decision decided?

A. No.

"Now, Mr. Mitchell, by way of background, I would like to say that the judge sitting in the Norfolk case has had more exposure to desegregation cases than any district judge in the United States. The chairman of the Norfolk School Board is a nationally recognized school board chairman holding national office. The attorneys in that case are excellent.

"Yet, the Federal Government proffered as an expert according to the testimony I have here, the man whose testimony I have just read, and this is what the court had to say after listening to him. This is the court speaking:

"Mr. Barnett, do you seriously urge that this gentleman is an expert in the field? I know everybody is an expert in the field, but in all seriousness—I think it is all right for the Government to come forward and submit some suggested alternatives. I welcome them. But if he is an expert in the field, if Mr. Morris can supply the expertise in this field, I would like to know on what basis.

"Mr. Barnett answered, 'Your Honor, we proffered Mr. Morris as the gentleman who was involved in the creation of these suggestions.'

"The Court. But he has no basis for creating anything.

"Mr. Barnett. Your Honor, as I tried to bring out during direct examination, he has been involved in the development of school desegregation plans for a number of Alabama and Mississipi counties and cities.

"The Court. But he is totally inefficient. He doesn't meet the educational qualifications. He submits figures that are erroneous and really, in all seriousness, I am not going to brand him as an expert.

"Now, you can let the evidence stay in for what it is worth, but as far as his being an expert, I am not going to let him go to some other court and say he qualified as an expert in the United States District Court for the Eastern District of Virginia, because he sure can't qualify under any pretense."

Along this same line, I am enclosing copies of resumes of employees of the Department of Health, Education and Welfare who recently conducted a review in Portsmouth, Virginia. I will go into the Portsmouth situation in some detail later in this letter. At this point, however, I would only note that the situation which the representatives were seeking to evaluate involved educational and psychological testing procedures and medical determinations, areas in which these personnel generally had little background or experience. I am aware that most of these persons have had experience in teaching and in the law profession, but I question, as a lawyer myself, whether or not that qualifies them as educational psychologists or medical personnel.

My second problem involves Nansemond County, Virginia. I am aware that the county has had difficulties for some time. One aspect of the problem does, however, seem ludicrous. According to information

provided to me, employees of the Justice Department requested certain information from the files of teachers in the Nansemond County school system. On September 14, 1971, a United States District Judge entered an order prohibiting the release of this information unless and until the agencies requesting it could show *facts* as to why they wanted the information. Later, the Department of Health, Education and Welfare again requested the *same* information. When the school district refused to provide the information, its application for ESAP funds was not considered. I wrote to the Department of Justice concerning this, specifically asking what the legal situation was in such a case: Did the court ruling or the request of HEW take precedence?

David Norman wrote to me as follows:

"I am advised that the Department of Health, Education and Welfare terminated Emergency School Assistance Program funds to the district because of the district's failure to provide the information requested in accordance with the assurance signed by the district and the Emergency School Assistance Program regulations and that the termination of funds was not related to the subsequent court proceedings instituted by this Department against the Nansemond County School board."

Stanley Pottinger wrote to me:

"Although we are aware of the court proceedings initiated by the Department of Justice, we are in no position to waive the requirements of the grant program in this case because of those proceedings."

Obviously, the jurisdictions of various levels of government are involved here, but it seems counter-productive to proceed without some priorities among requirements, without some procedure for settling such a matter. Also, I think I deserved an answer which went to the heart of the matter of a conflict of jurisdictions and requirements, rather than an acknowledgment of the situation and the implication that it was "just too bad."

Thirdly, I am enclosing a copy of a newspaper article written by a reporter who is well known in our state for his journalistic independence. I believe his article outlines well and as concisely as possible the current situation in Portsmouth. There are several conclusions which must be drawn from this article: (1) There is a great deal of confusion in the Office of Civil Rights over what they are doing. Evidence: conflicting letters and telephone calls. (2) The Office of Civil Rights promised information to the school district and then refused to provide it. (3) There is some suggestion that the Department of Health, Education and Welfare is concerned over the racial composition of special education centers which were established to provide services not available in regular schools. These centers are "special"—they are for children who have difficulties which can best be handled in a special environment, but HEW seems more concerned over racial composition, over bodies, than over any educational benefits that might accrue from such centers. (4) I received little response or assistance from the Department of Health, Education, and Welfare. Example: on March 31 my office was advised that a reply to my telegram to Mr. Russell Roberts would be forthcoming. When on reply had arrived as of April 7, my office inquired and was told that a response would be mailed that afternoon. No response arrived in my office, however, until April 12. Furthermore there has, to date, been no response from either Secretary Elliot Richardson or Mr. Stanley Pottinger to my telegrams of March 31.

It is also interesting that in three letters to the Portsmouth school system, the Office of Civil Rights asked for a "review," an "on-site review" and a "post grant review." The "review" was conducted and a report prepared by an employee of the Department of Health, Education, and Welfare. When a copy of the report was requested by the school system and by my office, however, the report suddenly became an "intraagency memoranda" or an "investigatory file" which the Department of Health, Education, and Welfare maintained it did not have to release. Yet, the Department supposedly wanted access to confidential psychological and medical files of children in the special centers on the basis of information contained in the report.

In connection with the Portsmouth situation, I am also concerned that an employee of the Office of Civil Rights suggested to the Portsmouth school system that it was not necessary for them to contact my office in connection with difficulties associated with obtaining the report. I believe that we in the United States still have representative government. I do not find the employee's attitude very becoming to a civil servant in the federal bureaucracy.

For these reasons, I have serious questions about the administration of the Emergency School Assistance Program and about any change which might concentrate more funds in it or which might allow ESAP and Title I ESEA funds to be considered together. I am advising Senator Claiborne Pell, Chairman of the Education Subcommittee, a conferee on the higher education legislation and the conductor of the hearings on your recent proposals, of my concerns.

I hope you will check into this matter, too, because I believe it is of prime importance to our educational systems. It is, I believe, a fair conclusion that those who work for the Office of Civil Rights are often more concerned with numbers than with educational considerations. I believe that it is important to give educational considerations more attention than they have received in the past and to eliminate the type of games which are obvious in the Portsmouth and Nansemond situations I have detailed here.

Respectfully,

WILLIAM B. SPONG, Jr.

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C., April 20, 1972.

Hon. CLAIBORNE PELL,
U.S. Senate,
Washington, D.C.

DEAR CLAIBORNE: I am writing to you about several education problems in my State of Virginia for two reasons: (1) you are head of the Senate conferees on the higher education legislation which includes provisions for aid to desegregating school districts and have before your Subcommittee the President's recent school busing and education proposals and (2) you, I hope, know and understand my long interest in education, my desire to maintain a fair position and to avoid the demagoguery and extremism which often attends these matters.

As a result of the problems in my state, I have serious reservations over some aspects of the President's recent proposals for use of Title I funds and Emergency School Assistance aid. I fear that under certain of his recommendations the Department of Health, Education and Welfare and the Department of Justice could put additional pressure on local school districts to engage in various programs and experiments advanced by employees in the bureaucracy and to take actions beyond those required by courts under law.

I have advised the President of these concerns and am enclosing a copy of my letter to him in the hope that you can give some attention to the situations which have arisen in Virginia and means of preventing them both in my state and throughout the nation as you work on legislation dealing with busing and equal educational opportunity.

With kind regards,

Sincerely,

WILLIAM B. SPONG, Jr.

RÉSUMÉS: CIVIL RIGHTS TEAM, APRIL 4, 1972

Title: Civil Rights Assistant.

Educational experience: B.A. English (Hampton Institute), 1971; 9 graduate hours (Education), (University of Virginia), summer 1971.

Relevant work experience: (1) 4 summers as assistant instructor at Norfolk State Reading Center.

(2) September–December 1971, Education Program Assistant in the Equal Education Branch of Office of Education, DHEW.

(3) January, 1972–Present, Civil Rights Assistant, in the Education Branch, Office for Civil Rights, Department of Health, Education, and Welfare.

Lincoln University—B.A.—1951—Major Biology—Minor Chemistry, Lincoln University, Pennsylvania.

Hampton Institute (Graduate Division)—1958–60—28 sem. hours. Graduate, Hampton, Virginia Education—(Incl. Legal Foundations of Education—Courts and the Public Schools).

New York University—Grad. School of Arts and Sciences—1961–62—Public, New York, New York, Administration—20 sem. hours (Incl. Administrative Law).

University of Pennsylvania—(Grad. School of Arts and Sciences)—1968–70—Philadelphia, Pennsylvania, Business and Applied Economics.

WORK EXPERIENCE

Teacher and Assistant to Director (1958–60)—Base Education Office, Langley AFB, Virginia. Planned course offerings in General Science, Mathematics, and Physics. Duties included teaching general science and mathematics to military personnel and dependents who had not completed high school or needed the training for military specialties.

Revenue Officer and Chief, Taxpayer Service—Internal Revenue Service, New York, New York, and Philadelphia, Pennsylvania (1960–71)—Duties included administration of Federal tax laws and investigation of tax cases involving business and individuals. As Chief, Taxpayer Service, Philadelphia District, duties included planning, coordinating and directing the taxpayer service program on a year round basis including training programs for professional and non-professional personnel. I supervised approximately 60 professional and technical personnel. I also had responsibility for staffing personnel in 28 offices throughout the district in addition to coordinating the program in those offices. I also coordinated activities with the news media and community groups.

Member Equal Employment Opportunity Committee—(1968–71)—Internal Revenue Service—The committee was responsible for the equal opportunity program throughout the Philadelphia District and developed an action plan to assure equal opportunity to minority employees.

Civil Rights Specialist—(1971–present)—Region III, Philadelphia, Pennsylvania. My duties include investigation of complaints of racial discrimination in the various schools and colleges on our 5 state area, Title VI and E.S.A.P. reviews of the various school districts, negotiations with school superintendents and officials and compiling reports for the Regional and National Offices for Civil Rights.

Johnston County Training School, Smithfield, N.C., 1938–50, diploma.

Shaw University, Raleigh, N.C., 1950–54, BS.

South Carolina State, Orangeburg, S.C., Summer 1961.

Atlanta University, Atlanta, Georgia, 1961–62.

North Carolina College, Durham, N.C., Summer 1958–59, 61 & 62, MS.

WORK EXPERIENCE

Teacher (1957–60)—Anne Chesnutt High School, Cumberland County, N.C. My duty

was that of a Biology and General Science teacher.

Principal (1961–68)—Princeton Grade School, Johnston County, N.C. My duties included teaching a class of sixth and seventh graders during 5 of my 7 years in this position. I supervised a staff of 12 professionals and four non-professionals. It was my responsibility to supervise the instructional program and act as a liaison between the teachers and the community, the teachers and the Superintendent, and the community and the school board.

Principal (1968–69)—Forest Hill High School, Johnston County, N.C. My duties included all of the above except teaching as well as scheduling of classes, supervising an athletic program and other duties usual to a high school principalship.

Civil Rights Specialist (1969 to present)—Region III, Philadelphia, Pa. My duties include investigation of complaints of racial discrimination in the various school and colleges in our 5 state area, Title VI and ESAP reviews of the various school districts, negotiations with school Superintendents and officials and compiling reports for the Regional and National Offices for Civil Rights.

Born: May 31, 1934, Poplarville, Mississippi.

Education: Elementary and secondary education, Mississippi public schools.

B.S. education—Mississippi College graduate study at Miss. College and U. Southern Mississippi.

Other study: San Francisco State, U. Maryland, Miss. State.

Work Experience: Teacher—special Ed—Lang. Arts 1962–63 West Jr. High, Gulfport, Miss.

1963–64 Teacher—Speech and English, Pass Christian High School.

1964–1967 Director: Adult Basic Education Pass Christian, Miss.

1968–1972 Officer of Civil Rights, Atlanta, Georgia and Phila., Pa.

Current Position: Chief, Washington Desk for Region III, Education Division, Office for Civil Rights, DHEW.

Previous Relevant Experience:

Special Assistant to the President, Federal City College, Washington, D.C. Designed an experimental training program for teachers and school administrators. Coordinated and designed the institutional evaluation required for initial regional accreditation for the college.

Program Specialist, Community Relations Service, Department of Justice. Provided assistance to communities engaged in school desegregation.

Consultant, Fore, Inc., Washington, D.C. Helped school systems in a large metropolitan area develop a joint Title III, ESEA proposal, including the establishment of a diagnostic center for pupils with learning disabilities.

Executive Assistant, Educational Projects, Inc., Washington, D.C. Advised colleges and universities on the development of pre-college programs for poor high school students which could be funded under the Upward Bound Program. Served as a resource person in staff development programs.

Program Planning and Development Officer, Learning Institute of North Carolina. Planned programs for educational innovation and experimentation, working particularly closely with program development and evaluation at the North Carolina Advancement School, a residential, experimental school for underachievers. Planned a summer institute on desegregation for teachers and administrators and a research program for evaluating materials or learning systems being used in adult literacy programs.

Programs Associate, Division of Educational Research and Development, U.S. Office of Education. Made technical reviews of research projects relating to environmental influence on learning and curriculum development.

Research Associate, Health and Welfare Council, Washington, D.C. Analyzed data and wrote papers dealing with "Child Rearing in Low-Income Families."

Teacher, D.C. Public Schools, 1958–61; Fulbright Teacher, Berlin, Germany, 1957–58.

Publications:

The Housing Act of 1961, Civic Education News Service, Washington, D.C.

Program and Research Design for a Remedial School for Underachievers, Coop. Rsch. Proj. F–033, USOE, HEW, Dec. 1964.

Educational Background:

B.A., The George Washington University, 1956.

M.A. in Teaching, Harvard University, 1957.

Free University, Berlin (1957–58).

D.C. Teachers College (1959–60).

Courses included psychology, testing and measurement, statistics, and special education.

Current Occupation and Activities (since January 1970):

Staff Assistant to Assistant Director for Special Programs.

Office for Civil Rights.

Office of the Secretary.

Department of Health, Education, and Welfare.

Actively participate in and coordinate the implementation of civil rights policy as regards the elimination of discrimination against national origin minority group children in elementary and secondary education, as well as providing technical education assistance to those school districts seeking to develop and implement educational programs which are linguistically and culturally relevant to national origin minority group children.

EMPLOYMENT HISTORY

January 1970 to present: Staff Assistant to Assistant Director for Special Programs, Office for Civil Rights, Office of the Secretary, Department of Health, Education, and Welfare, Washington, D.C.

June 1969–August 1969: Summer Intern, Research for Education Branch Chief, Office for Civil Rights, Office of the Secretary, Department of Health, Education, and Welfare.

June 1968–August 1968: Assistant to Manager, Washington Cathedral Book and Gift Shop, Cathedral St. Peter and St. Paul, Mt. St. Alban, Washington, D.C.

June 1966–August 1967: Salesclerk, Washington Cathedral Book and Gift Shop, Cathedral St. Peter and St. Paul, Mt. St. Alban, Washington, D.C.

June 1965–August 1965: (Same as June 1966–August 1967).

ACADEMIC BACKGROUND

College: American University, Washington, D.C. Masters Program—English Literature. Six hours completed toward M.A.—Fall 1970–71.

Park College, B.A. 1969 (Fall) Kansas City, Missouri. Major: English Literature. Honors: Dean's List, Fall 1967, Spring 1968, Fall 1968, Fall 1969, Magna Cum Laude Graduate, Grade point average in major—3.9, Grade point average over-all—3.61.

College Activities: Fall 1969, Chairman, Judicial Council. Fall 1969, Co-Director and Founder, College Coffee House. Spring 1968, Co-Chairman, Human/Racial Equality Committee.

Mt. Vernon Jr. College, A.A. 1966, Washington, D.C. Major: Liberal Arts.

High School: Woodrow Wilson High School, Washington, D.C. 1963–64 (12th grade).

Walnut Hills High School, Cincinnati, Ohio. 1958–63 (7–11th grades).

AREAS OF SPECIAL INTEREST

Research in the area of discrimination against poor and minority group children in the public elementary and secondary school systems; Literature as it reflects psychological, moral, and ethical dilemma of 19th and 20th Century man.

Employment: Assistant to the Director, Office for Civil Rights, DHEW, Washingtoon, D.C., December, 1971—Present.

Chief, Equal Educational Opportunities Section, Office of the General Counsel, DHEW, Washington, D.C., July, 1971–December, 1971.

Attorney-Adviser, Office of the General Counsel, DHEW, Washington, D.C., September, 1970–July, 1971.

Attorney in private practice, Montgomery, Alabama, April, 1969–September, 1970.

Research Fellow and Editor, The Ripon Society, Cambridge, Massachusetts, January, 1969–April, 1969 (part time thereafter).

Editor and President, The Southern Courier (weekly newspaper), Montgomery, Alabama, June, 1965–December, 1968.

Reporter, Chicago Daily News, Chicago, Illinois, June, 1962–June, 1965.

Education: LL.B. Jones Law School, Montgomery, Alabama, May, 1966–January, 1969.

Chicago-Kent College of Law, Chicago, Illinois, September, 1964–June, 1965.

A.B., Harvard College (English Lit.), Cambridge, Massachusetts, September, 1958–June, 1962.

Professional: Admitted to Bar, Supreme Court of Alabama, April 1969.

Member of Bar of U.S. District Court, Middle District of Alabama, and U.S. Court of Appeals for the Fifth Circuit.

CIVIL RIGHTS ASSISTANT, OFFICE FOR CIVIL RIGHTS, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

1968: Boston University—BFA.

8/68–5/69:4th Grade Teacher, Triune Elementary School (Black), Aiken County, South Carolina.

11/68: National Teachers Examination, Weighted Common Score 753.

7/69–6/73. South Carolina Teachers Certificate, #072945, Group 0 Class 3 Grade I.

Spring 1970: Student Teacher—Early Childhood, Education Center—Federal City College, Washington, D.C.

11/70–Present: Assistant to Director of Education Division, Office for Civil Rights, Department of Health, Education and Welfare, I have been both member and leader of teams determining Title VI compliance of various school districts. Recent assignments have included moderate research into the elements of testing and assignments of children to classes for exceptional children.

[From the Virginian Pilot, Apr. 9, 1972]

PORTSMOUTH LOCKS HORNS WITH HEW ON SCHOOL AID

(By Don Hill)

WASHINGTON.—As much as $200,000 in emergency school aid designated for Portsmouth has been jeopardized by a dispute between the Health, Education and Welfare Department and Portsmouth public schools.

This is a small amount in the over-all Portsmouth school budget, but the story provides a remarkable insight into one set of technical difficulties created by desegregation and by the intricate tangles of court orders and federal regulation.

An unusually detailed look into the controversy has been made possible because a virtually complete file of correspondence, memos, and congressional inquiries into the case have become available.

The one unavailable item is the long report of a team of HEW investigators which investigated the Portsmouth schools last November.

Although the entire dispute appears to be based upon that report, HEW has refused to make it available to the school administration. Sen. William B. Spong, Jr. last week went to the unusual lengths of invoking the U.S. Freedom of Information Act to attempt to pry the report loose.

An HEW spokesman promptly called Spong's office, refusing the report. The spokesman promised a written rationale under the information act. The written explanation has yet to arrive.

Portsmouth's problems began when it qualified as one of the major recipients of Emergency School Aid Program (ESAP) funds intended by Congress to ease the troubles of school systems unsettled by desegregation. The city is under court order requiring students to attend sometimes distant schools in order to insure racial mixing.

Portsmouth's ESAP application had asked $641,000 for a series of innovative educational efforts and more than $500,000 to provide for free busing of students.

The $500,000 was denied under a Nixon administration policy disapproving busing money, even when busing was required by court order. The $641,000 was approved. Some $225,000 of this has already been received by the school system.

Last fall, HEW established a program of visiting major ESAP recipients. According to a form letter sent out to school superintendents this "post grant review" was intended simply to insure that ESAP funded programs got off to a good start and complied with required nondiscrimination assurances.

Portsmouth's Supt. M. E. Alford replied to the form letter that Portsmouth would welcome the investigations.

The first form was followed by a second dated Nov. 19. It posed eight pages of questions. By the time the "post grant review team" arrived Nov. 29, four books of material in response to the questions were awaiting it.

The material was detailed; it even contained racial counts of who participated in extracurricular activities at some schools.

The team reviewed the material, stayed for about a week, visited many city schools, met with Portsmouth school officials for what appeared to both sides to be a sympathetic discussion, and departed.

According to a memorandum filed in Washington, the team leader, Harold Davis of the Philadelphia office of HEW's Office of Civil Rights, promised that the team's written report would be provided to the Portsmouth officials. This is the report which HEW now refuses to release.

On Dec. 16, Dr. Eloise Severinson, director of the Philadelphia office, wrote Portsmouth questioning the sale of some $81 worth of surplus material to the private all-white Southampton Academy. Federal law provides for denying ESAP funds to any public school system that sells materials to segregated private institutions.

On Jan. 20, Dr. Severinson wrote a long letter to Portsmouth noting a number of "exceptions" to Portsmouth's nondiscrimination assurances.

These included the transfer of property to Southampton Academy, and—to the evident astonishment of Portsmouth officials—the use of testing procedures to identify children for admission to five innovative education centers in Portsmouth.

The centers, which are the pride of Portsmouth educators, were racially discriminatory, Dr. Severinson suggested, because 1,761 of their students are black and 361 are nonblack. Twenty-five of their classes are all black for more than half the school day, she said.

Incidental to this account, she also pointed with alarm to the fact that Norcom High School is all black and that blacks bused into Churchland High School and Churchland Junior High School engage only lightly in extracurricular activities.

All black Norcom is scheduled for elimination from the school system under court order. According to the usual federal rules, this takes it out of HEW jurisdiction.

Black students are limited in their participation in extracurricular activities at Churchland partly because their buses, coming from the inner city, usually arrive before and leave after extracurricular activities are conducted. More buses would solve this problem, but money for more buses was expressly ruled out of the ESAP program.

(Churchland High School principal Walter Galliford managed in spite of this restriction to provide a bus for activity participants. It was so little patronized by blacks that it had to be discontinued.)

The file contains a sharp rejoinder to Dr. Severinson from Portsmouth's Alford concerning the education centers.

He wrote, in part:

"The members of the team failed to comprehend clearly that the centers are designed to meet the educational needs of atypical children without regard to race, color or national origin. Furthermore, the centers are operated in accordance with a federal court order."

He added, "Research indicates that there is a positive correlation between the incidence of many educational problems of children and the socioeconomic levels of their parents."

Admission to the Portsmouth conters is based on the children's needs as determined by psychological and medical data, on academic testing, and on teacher evaluations. Admissions, strictly limited by the availability of space, are determined by a racially-mixed admissions committee and in conference with the parents.

Portsmouth's Individualized Learning Center, according to information in the file, is funded under federal law which provides funds only for target "disadvantaged" schools. The combined enrollment of these target schools in Portsmouth is 83 per cent black.

This seems to explain the fact that the ILC's enrollment is 84 per cent black.

Two of the centers are for mentally retarded children, by Portsmouth's definition children with IQ's of less 75. One congressional memorandum made available Thursday in the file notes incredulously that HEW complains that these centers have too few white children.

"What are they supposed to do, go out and retard a few?" a congressional aide quipped.

A fourth center provides vocational training for "overaged underachievers." Pupils, often at the junior high school level, are admitted to this center for a work and learn program. Portsmouth statistics indicate that this center has cut sharply into the schools' dropout rate.

The fifth center provides under a federal grant for special classes for physically handicapped, children with language disorders, children returning to the school system from juvenile detention, and the like. Like the centers serving retarded children, the racial makeup—according to Portsmouth's correspondence in the file—is out of the hands of Portsmouth's school officials.

The letter from Alford to Severinson said:

"One would not expect the patients in a hospital to reflect the racial composition of the city. Rather, they would reflect the racial composition of all those individuals who needed the services offered by the hospital . . .

"Frankly, Dr. Severinson, Portsmouth is proud of these centers. They are the vanguard of the school system and provide services for atypical children to assist them in becoming fully functioning citizens. Services in these centers are provided on the basis of need . . ."

The Alford letter was dated Feb. 3, 1972. On Feb. 28, Dr. Severinson wrote, "It now appears that these issues are resolved and the specific assurances generally met."

The Feb. 28 letter was received in Portsmouth, according to a notation in the file March 2. On March 1, a "Mr. Wego" from Dr. Severinson's office called Portsmouth to say that serious questions had arisen.

On March 3, Wego called back to schedule a visit to Portsmouth to investigate his questions. He was asked if he were aware of Dr. Severinson's letter. He was not, and hung up in some confusion. The visit remained unscheduled, due, he said, to "manpower problems."

On March 20, Harold Davis, the original team leader, called with limited questions. He scheduled a visit for April 10, 1972, and read over the telephone information he said would be needed.

On March 24, Dr. Severinson wrote to Portsmouth listing seven categories of data the city was to provide. The first category was "class rolls showing names and races of all students enrolled at each of the special education centers, as well as the files maintained on each of those students."

These files, of course, contained the confidential psychological, psychiatric, and medical information on the children enrolled in the centers.

On March 30, Portsmouth school officials contacted HEW asking for the investigative team's report. They were referred to HEW's information center, which refused to make the report available.

Last week, a HEW team from Philadelphia arrived in Portsmouth, again headed by Davis. Dr. Alford asked for the report of the first visit, which Portsmouth school officials contend Davis had promised.

Team members replied that the report was "intraoffice correspondence" and would not be released. The team then demanded the confidential files on the students. Alford refused to make them public without a court order or specific parental consent in each case.

As a compromise, Alford offered to take a representative sample of the files, and seek parental consent for their release. The HEW team refused this offer and left.

Wednesday, an HEW representative wrote to the office of Rep. G. William Whitehurst, R-Va., that, "the failure of the school district to provide information raises a serious question as to its compliance with the ESAP regulations, and the superintendant has been advised accordingly."

Meanwhile, Sen. Spong's office said the senator still has not been apprised of why the original team report will not be made public. Spong's office is investigating further action.

Alford, reached by telephone Thursday, was reluctant to comment for fear of further antagonizing HEW officials. Asked what the effect of a cutoff of ESAP funds would be, he said, "it would curtail service to children who are going most severely to need it."

Of the $416,000 in promised ESAP funds yet to be received by the city, he said, a roughly estimated $200,000 would be liable to withholding if that action is decided upon by HEW.

Mr. SPONG. Mr. President, our local school districts and local school personnel have been on the firing line for many years. They face many problems. And, they face the responsibility for providing to all our children the education which will enable them to provide for their own well-being and to compete in the world of tomorrow. It is a large responsibility, and our local officials have not, I fear,

had much help or cooperation from the Federal bureaucracy in carrying out that responsibility. In fact, if that bureaucracy were being graded, I suspect strongly that it would fail.

OUTRAGEOUS ICC REGULATORY POLICIES

Mr. TAFT. Mr. President, recently I received a letter from Charles W. Dibert, mayor of the village of Elmore, Ohio, providing yet another example of outrageous ICC regulatory policies. The ICC has given a certain truck line the right to haul from Toledo to other points in Ohio provided the trucks pass through the village of Elmore. As a result of this absurd policy, the people of Elmore are plagued with heavy trucks roaring through their small community day and night. This is just another illustration of the way in which a regulatory body can become so bogged down in technicalities and regulations that it becomes divorced of all commonsense and public responsibility.

After receiving Mayor Dibert's letter, I wrote to the Chairman of the ICC about this matter on April 13 and have now received his reply. I ask unanimous consent that the letter of Mayor Dibert to me, the exhibit which Mayor Dibert has supplied, and the letter from Chairman Stafford be printed in the RECORD.

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

VILLAGE OF ELMORE, OHIO,
April 10, 1972.

Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR TAFT: The comment in your March News Letter concerning the bureaucracy of the I.C.C. struck a sympathetic note with me. For several months now the Village which I represent has been on the losing end of an arrangement created by the I.C.C. and it appears we are stuck there for a long time, perhaps forever.

It all started back in the 1930's when a local, small-town businessman, Mr. C. J. Kuhlman, bought a stake truck to haul supplies and products in and out of this village of then 1,100 people. He acquired two common carrier permits, one to haul between Elmore and Toledo, a distance of eighteen miles, and the other to haul between Elmore and other points in the State of Ohio.

Years have passed, Mr. Kuhlman has died, but the permits live on. Within the last year a large (by our small-town standards) trucking firm bought the permits. This firm, Red Line Express, whose President is Mr. Raymond Short, operates out of Toledo. Red Line, also by I.C.C. permission, is under the operating control of Short Line Inc. of Bay City, Michigan, whose President is Mr. Gary Short, Raymond's brother. (Incidentally, Raymond Short had been president of Short Line before resigning to take over the presidency of Red Line.)

Red Line did not have a permit for intra Ohio hauling. However, the Short brothers somehow arranged with the I.C.C. to "tack" together the two Elmer permits which gives them the right to haul from Toledo to anyplace in Ohio *so long as they go through Elmore*. In order to establish proof of this routing their trucks come into the Village, the drivers sign a log, and they turn around and drive back out.

All hours of the day and night these heavy, noisy and fume-belching trucks drive in and out over our Village streets, which are neither wide enough nor of sufficient construction to hold up under such loads. There is no tax revenue to the Village to compensate for the damage and nuisance. Our residents cannot understand how we can be forced into such a situation, and neither can I.

The attached chronology indicates the attempts which I have made to eliminate the situation, all unsuccessful. I do not really expect you to be able to help us, but I could not pass up the opportunity to provide further evidence of the entanglement of the I.C.C.

Very truly yours,
CHARLES W. DIBERT,
Mayor.

CHRONOLOGY OF EVENTS—VILLAGE OF ELMORE VERSUS RED LINE EXPRESS

February 5, 1972—Local Elmore businessman, Ray Peterson, reported he had given permission to Red Line to use his building for drivers to log trips.

February 7, 1972—Local Elmore resident, James Murray, called to report that Red Line trucks were driving through residential area all hours of day and night.

February 8, 1972—Went to see Mr. Raymond Short, President of Red Line Express to talk over situation. He told me his permits required trucks to go through Elmore and that while residents might not like it, that was the way things were.

February 10, 1972—Wrote to Public Utilities Commission of Ohio protesting trucking situation and requesting permission to represent Elmore at hearing scheduled for February 24, 1972. Docket No. MC–F–11396.

February 15, 1972—Received complaint from Elmore residents that Red Line trucks were running over curbs and cutting up boulevards.

February 18, 1972—Zoning Inspector of Elmore, Paul Johnson, issued violation notice to Red Line that their terminal was in an unauthorized district.

February 19, 1972—Received letter from David L. Pemberton, Secretary, State of Ohio Public Utilities Commission explaining that commission's opposition to tacking arrangement and explaining that arrangement is of I.C.C. design.

February 21, 1972—Wrote Robert L. Oswald, Secretary of I.C.C. in Washington, D.C. to protest tacking arrangement.

February 22, 1972—Received letter from Michael M. Briley of law offices of Fuller, Henry, Hodge and Snyder, in Toledo representing Red Line indicating Village of Elmore had no jurisdiction in the matter.

Talked on phone to John Gordon, Transportation Secretary for P.U.C.O. who explained hearing previously scheduled on matter by I.C.C. had been postponed indefinitely.

February 23, 1972—Sent another letter to Mr. Oswald of I.C.C. along with Mr. Briley's letter of February 22.

March 24, 1972—Went to see Keith Warner of Toledo office of I.C.C. to protest tacking arrangement. Mr. Warner explained his offices opposition to arrangement but indicated decision remained in Washington.

April 1, 1972—Received letter from Robert C. Bamford, Chief Examining Officer for I.C.C. Washington, D.C., explaining that hearing would be held later this summer.

April 10, 1972—Wrote desperation letter to Senator Taft.

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., April 25, 1972.

Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TAFT: This is in response to your letter of April 13, 1972, enclosing a letter from Charles W. Dibert, the Mayor of the Village of Elmore. Mayor Dibert complains that motor vehicles operated by Red Line Express, of Toledo, Ohio, pass through Elmore at all hours of the day. He states that these vehicles pollute the village's environment with their noise and fumes, and destroy the village's streets, which are neither wide enough nor of sufficient construction to endure heavily laden motor vehicle equipment.

Red Line Express, Inc., holds interstate authority pursuant to Certificates of Registration issued by this Commission to transport property (1) between Elmore and Toledo, and (2) between Elmore, on the one hand, and, on the other, points in Ohio. Therefore, in order for Red Line Express to transport property between Toledo and points in Ohio other than Elmore, it must observe a gateway at Elmore or points within its commercial zone. Mayor Dibert expresses his belief that this gateway limitation on Red Line Express' operations should be removed.

In an effort to be of possible assistance, I am referring this information to Regional Director Anthony W. Bummara, Interstate Commerce Commission, 16th Floor, 1518 Walnut Street, Philadelphia, Pennsylvania 19102. Since Mr. Bummara has supervision over the area in which the carrier is domiciled, I have requested that he assign the matter for review with carrier officials. You will be informed as to the outcome of this action. Regional Director Bummara will also be requested to investigate the allegation of the State of Ohio Public Utilities Commission that Red Line Express' tacking arrangement is of this Commission's design. Red Line Express operates pursuant to a Certificate of Registration and, as such, its operations are generally controlled by the operating rights interpretations of the Ohio Public Utilities Commission.

Mayor Dibert also has expressed an interest in the pending control proceeding in No. MC–F–11396 which was filed December 7, 1971, and in which Short Freight Lines, Inc., seeks to purchase Red Line Express. This proceeding is awaiting the assignment of a time and place for oral hearing. This Commission will welcome the participation of Mayor Dibert in this proceeding for the purposes of protecting the environmental interests of the residents of Elmore. I have arranged to place both Mayor Dibert's and your names on the Commission's service list in that proceeding so that you both may remain apprised of its progress.

I trust the foregoing will be of assistance to you in replying to your constituent.

Sincerely yours,
GEORGE M. STAFFORD,
Chairman.

PRISON VOLUNTEERS

Mr. MOSS. Mr. President, last September "the Attica tragedy" shook the Nation's consciousness. Overnight, "prison reform" became the order of the day.

Seven months later, however, the outrage has subsided. Public concern has shifted to other issues: the war, tax reform, not to mention the presidential campaigns themselves.

It is unfortunate, however, that the horrible conditions which ignited the violence at Attica are not as transitory as the public's attention span. Inadequate and irrelevant educational programing, the sense of alienation and bitterness on the part of the prisoners, the lack of jobs for ex-convicts, these situations remain all too real to the more than a million men and women now under "corrective custody."

On April 19, 1972, I wrote a letter to Joseph H. Blatchford, Director of Action, proposing the creation of an entirely new volunteer program, similiar

to the Peace Corps or VISTA, but directed at the needs of America's prisons.

I believe such a program would go a long way in providing broader educational programing to penal institutions. It would also allow committed volunteers to help inmates become aware of their own potential as constructive members of society, to help them find jobs and in other ways prepare themselves for the "outside." I ask unanimous consent that a copy of the letter appear in today's RECORD.

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

APRIL 19, 1972.

Mr. JOSEPH H. BLATCHFORD,
Director, Action,
Washington, D.C.

DEAR JOE: More than anyone else in public service, you appreciate the immense, largely untapped, potential of voluntary action. "Volunteer-ism", begun only a decade ago, has already emerged as one of the great phenomena of our time.

For many of us, it is hard to imagine that little more than 10 years ago, the Peace Corps was only an idea, and that VISTA, its domestic counterpart, had not even been considered. Today, as Director of Action, you are all too aware that these programs have only begun to address the enormous tasks for which they were established. As long as a multi-national approach to economic development is deemed desirable, as long as conditions of poverty at home remain unacceptable, Peace Corps and VISTA volunteers will continue to have a great role to play.

Volunteers, however, thrive on new challenges. New challenges to meet new goals have a driving force all their own, especially when they address a problem long ignored, but whose dimensions make further inaction inexcusable.

Today I propose the formation of a totally new volunteer program—on the scale of the Peace Corps—addressed, not to the needs of foreign nations, nor even those of Appalachia, but to the all-too-evident needs of America's penal institutions.

The advantages of a *prison volunteers program* are obvious. Such an effort would, in fact make maximum use of those very qualities which have made earlier voluntary efforts so successful: the volunteer's proven *concern* and his open-ness to institutional change.

Seven months ago, the nation's consciousness was shaken by the tragic events at a New York State prison. Overnight "Attica" became a code-word for all that was wrong with our penal system: inadequate or irrelevant educational programming, the lack of public awareness regarding prison conditions, and, perhaps most seriously, the growing sense of alienation, literally of *banishment*, on the part of the inmates themselves.

In the wake of the Attica violence, there exists a reservoir of public interest in "doing something" about these conditions. A volunteer program which relied heavily on person-to-person communication could draw on a great variety of skilled volunteers, people ready and willing to participate in efforts to tutor prisoners in reading, writing, mathematics and *practical* industrial crafts.

VISTA has already taken a minor step in this direction. At Shelby Penal Farm near Memphis, Tennessee, five volunteers are involved in a project which includes tutoring, counselling, helping prisoners to find jobs before their release, as well as assisting them in other ways to prepare for the "outside world".

There are, in addition, many other cases of voluntary action groups working in this field. Recently I studied descriptions of over 20 programs operating throughout the country where volunteers are helping to develop educational programs, set up man-to-man relationships between prisoners and interested citizens and countless other attempts to cut through the wall that separates the inmate from society. In many areas, high school equivalency courses have been instituted. In Minneapolis, 30 inmates are now attending the University of Minnesota as part of a "related time" program.

All of these efforts—organization, training, and most importantly, communication—are what volunteers do best. Working for a short time, such as a year, Action volunteers would be in an excellent position to implement long-overdue initiatives. Unlike the professionals they would not feel compelled to defend the *status quo*. More importantly, as people who volunteered to work for low wages to do just this kind of work, they would have demonstrated a concern for improving the situation. Their commitment and their growing appreciation of conditions as they are would be a prized contribution to our fight for an enlightened approach to prison reform.

The need for such a volunteer enterprise is beyond dispute. Today there are over 200,000 men and women "serving time" in Federal and state penitentiaries alone. If you count all forms of "corrective custody", such as jail, parole and probation, there are, at any given time, more than a *million* people under the control of our penal system. Regardless of one's personal philosophy, be he "hard-hearted" or a "bleeding heart", he must contend with the fact that nearly all of these people will someday again walk the streets. Whether they return from prison more alienated, ignorant and hostile than when they entered, or with a new sense of community with their fellow men and a greater ability to participate in a competitive but cooperative society could largely depend upon how hard we fight for just this kind of program I have described.

Sincerely,

FRANK E. MOSS,
U.S. Senator.

OSTPOLITIK

Mr. TALMADGE. Mr. President, the Ostpolitik of the Socialist-Liberal government in West Germany under Chancellor Willy Brandt had only a minority of German voters behind it when it was established in Bonn. There is considerable concern about its relationship to the opposition party, the Christian Democratic-Social Union, particularly with reference to agreements with Communist governments of Eastern Europe.

When portions of secret protocols were brought to light recently by the opposition party, it was generally felt that the German Socialists made large, secret concessions to the Socialist Communist bloc in Eastern Europe.

As I am informed, the principal dangers of the Moscow and Warsaw Treaties concluded by the West German Socialist Chancellor involve, first, economic aid which West Germany proposes for the Soviet Union and other Communist countries to strengthen their economies. Second, it could mean a widening of opposition to Communist rule in Eastern and Central Europe and virtual recognition of Communist domination of other nations as an acceptable situation.

These treaties also pose other serious problems for the free world, and especially for West Germany. For example, the treaties offer no alleviation of the fate of Germans living within the Eastern power sphere. As the world knows, elementary principles of humanity continue to be violated along the Berlin wall.

In the Moscow Treaty, the Federal Republic of Germany not only legalizes the frontiers concerning and affecting Germany herself, but also all other frontiers in Eastern and Central Europe. In so doing, it has the effect of consolidating the position of influence of the Soviet Union in that area. Moreover, it is doubted whether the Soviet Union renounced, in the Moscow Treaty, its right of intervention in West Germany.

Concessions made by the Soviet Union are only superficial. The Communists want to allow West Berliners from time to time to visit East Germany. But this is something they have permitted in the past, and then revoked whenever it suited their purposes.

For these reasons, there is a great deal of concern about these treaties, and it would be well for the United States to watch this situation very closely.

FEDERAL PROGRAMS AVAILABLE TO LOCAL COMMUNITIES

Mr. CURTIS. Mr. President, we frequently hear complaints that minority citizens, particularly poor people, do not know what Federal programs are available to help them, and where to go in the Government bureaucracy to obtain the assistance to which they are entitled.

Knowing the complexity of the bureaucracy that has been created over the years by the piling of programs on top of programs, I do not doubt for a moment that many of those complaints are fully justified.

A step that is being taken in the Kansas City, Mo., region of the Federal administrative establishment came to my attention recently, and I wish to call it to the attention of the Senate, because I believe it is a significant step toward bridging the communications' gap that so often separates people from their Government when the Government becomes too large. I have with me a copy of a news release explaining a new program that is being aired on a radio station in Kansas City by black Federal officials who are serving in the Federal administrative establishment in the region composed of Nebraska, Kansas, Iowa, and Missouri. I believe the efforts being made by these black officials and the radio station which is cooperating with them are a major step in the right direction.

I am especially pleased to point out that a Nebraskan who is the highest-ranking black Federal official in the region has taken the lead roll in behalf of the Government in coordinating the efforts. This official is Mr. Samuel J. Cornelius, Regional Director of the Office of Economic Opportunity. Mr. Cornelius is from Omaha, and he formerly was State technical assistance director for Nebraska.

I ask unanimous consent to have printed in the RECORD the news release describing what is being done in the

Kansas City area to inform the public of Federal programs available to people in the local communities.

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

BLACK KANSAS CITY FEDERAL OFFICIALS EXPLAIN PROGRAMS "ON THE AIR"

Black federal officials in the Kansas City Region have "gone to the airways" to inform the public of federal programs available to local communities.

In what may be a first for the Kansas City area and the nation, some 20 Black federal officials have begun a series of weekly interviews on the local radio station.

The major thrust of the program is to reach the poor and socially disadvantaged citizen with information regarding available federal programs and the effect current federal efforts are having in specific communities.

The program, which began February 6, 1972, is being coordinated by the Regional Office of Economic Opportunity at the request of Radio Station KPRS of Kansas City, Missouri.

In an effort to increase the station's public service programming, KPRS officials said they noticed the increase of Blacks in key, decision-making positions in the Regional federal agencies since July, 1970, and determined that the Black and minority communities would benefit by hearing about the federal efforts from these officials.

The station, the city's only black-owned and operated broadcast media, asked Samuel J. Cornelius, Regional OEO Director and the highest-ranking Black federal official in the region, if he would assist in coordinating this program.

Cornelius agreed and assigned Titus D. Fisher, Special OEO Assistant for Congressional Affairs, to the job of setting up interviews.

To date, the Kansas City community has heard interviews with: John Dupree, Title I ESEA Program Officer, HEW; Elmo Turner, St. Louis Area Director, HUD; P. A. Townsend, Legal Counsel, HUD; Robert Whitehead, Personnel Officer, OEO; Kenton Williams, Assistant Regional Director, Office of Child Development, HEW; James Gohlston, Manpower Administrator's Representative, DOL; Robert Collins, Regional Director of Equal Employment Opportunity, GSA; Robert Watson, General Counsel, OEO; Melvin Harrington, District Director, SBA, St. Louis; Lloyd Claiborne, Regional Director, Food and Drug Aldministration, HEW.

Cornelius was interviewed in a special 30-minute taped program earlier this year.

Each of the above interviews were 25-30 minutes and are being broadcasted each Sunday and Thursday over KPRS. During the first series of programs, Bob Anderson, KPRS program director, has been the interviewer.

Future plans include a five-member panel of Regional Black federal executives to be interviewed "live" on the program and they will answer questions from the Black, Mexican-American and other minority groups.

Also planned is a second series of taped interviews of 10 additional Black federal officials in the region—which includes Missouri, Iowa, Nebraska and Kansas—beginning May, 1972.

Anderson said the program has been "very successful and informative and my calls and letters from the community express the concern that this type of program has been needed for a long time."

Anderson said the noticeable increase in Black federal officials in the region—from about 7 prior to July, 1970, to about 30 since then—has encouraged the involvement of minorities in the Kansas City area to become more involved in federally-assisted programs.

"The question most asked following any one of these programs," Anderson said, 'Is he Black?' I didn't know the federal government had a black person in charge of that agency."

Chester Stovall, director of the local anti-poverty agency, said he felt the interviews have been "very good" and were reaching the community.

Federal officials who have participated in the programs said their mail and telephone calls to their agencies have increased since they were "on the air."

"Most of my responses were from people who said they were impressed with hearing about the social involvement of the federal agencies," said Bob Collins of GSA.

Anderson said he is hopeful that the program could be of a more permanent nature in the future, but added that this would take a lot of planning.

"Most importantly of all," he said, "I think the Black community can relate better to other Blacks and the explanation of various federal programs from other Blacks are more meaningful and understandable."

NIXON'S WAR—AN EDITORIAL

Mr. MOSS. Mr. President, President Nixon's address on Vietnam last night presented the same wornout arguments we have heard so often before. We were told that 20,000 more troops can be withdrawn because General Abrams has said that Vietnamization is working, but that the bombing would continue.

I believe that troops should be withdrawn, but with honesty, not deception. Systematic substitution of U.S. airpower of U.S. groundpower is not Vietnamization. The skies of Indochina now carry 780 U.S. planes; 5 months ago there were only 400—158 of these are B–52's, which by their nature must be less selective in their bombing. More U.S. ships dot the waters of Indochina than ever before. This is a program of substitution, not Vietnamization. South Vietnamese deaths have simply replaced U.S. deaths on the ground; the war goes on as fierce as before. The sadness that pervades all discussions of Vietnam comes from the realization that President Nixon was advised at the beginning of his term, by his own advisers, that the course of Vietnamization would not work.

The disclosures of the 1969 "Kissinger Papers" prepared for President Nixon on the Vietnamese war are of enormous consequence. In a penetrating editorial, Wednesday, April 26, the Washington Post states their significance as picturing Mr. Nixon no longer "as the hopeless prisoner of past policy" but rather as bearing the full responsibility for the current conflict.

The 1969 documents described the situation in Vietnam and attempted to evaluate the bombing and other military and political factors in a move to lay out the options for the President. The Post contends the President chose to ignore the sensible voices of the Secretary of Defense, the State Department, and the CIA, which were stating:

That the North Vietnamese had the will and the resources to carry on the war indefinitely against unlimited bombing;

That the South Vietnamese showed little prospect of ever being able to conduct their end of the war without extensive American military support including the use of air power and combat troops;

That pacification was not working and showed little hope of working over the long haul;

That B–52's were a doubtful asset except for close-in tactical support of combat operations;

That there was something to be said for promoting accommodations on the local level, in the districts and villages and provinces, between the government people and the Vietcong;

That neither this country's standing in the world nor the fate of Southeast Asia, hinged on the outcome of the Vietnamese struggle.

Mr. President, I ask unanimous consent that the full editorial be printed in the RECORD:

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

[From the Washington Post, April 26, 1972]

NIXON'S WAR

By way of prelude to almost every speech he has ever made about the Vietnam war, President Nixon has been at pains to remind us, just for the record, of the terrible legacy he inherited from the Democrats: over half a million Americans in a combat role; casualties running at the rate of more than 300 a week killed in action; no plan to "Vietnamize" the war or to bring our military forces home. There is some truth in this, of course; Mr. Nixon did fall heir to a heavy burden not of his making. But the roots of involvement reached back into a Republican administration of which he was a part. There was also a plan to end the war which General William Westmoreland could have furnished the new Nixon administration because he had laid it all out as early as November, 1967. For better or worse, "Vietnamization" was already in the official lexicon. And far more important, the really big, tough decisions had already been made by President Lyndon Johnson when he refused in March of 1968 to go on down the road of "graduated response," and decided instead to end the bombing of the North and to deny for the first time the next big commitment of American troops. In short, the Johnson strategy had failed by January, 1969, and the country had begun to accept the real limits of a limited war.

That lesson was also part of Richard Nixon's legacy if he had chosen to accept it. He was a free agent, in a way that his predecessor had never been, and not just because he was a new President with a mandate to end the war. He was a free man in the most significant sense because he had inherited not a bureaucratic monolith hell-bent on pursuit of a discredited and unworkable policy, but a bureaucracy divided; there were other voices saying sensible and realistic things, other forces at work in the big departments of government which were there for the President to hear and to use in the difficult business of turning the governmental apparatus around on a new course. But President Nixon did not listen to those voices and never told us about them because he did not wish, for his own reasons and out of his own geo-political concepts, to abandon the old goals of our Vietnam mission. He did not want to accept the hard consequences of the lesson other men had learned. Those on the outside could only guess at the division within the government, only hear snatches of the argument, only speculate about the depth of the carefully suppressed reservations which were held by important people in key agencies—until this week when the hard evidence finally became available. That is the real and immensely profound significance of the "Kissinger Papers," the contents of which were revealed in some detail in this newspaper on Tuesday. They tell us little that is directly relevant to the current situation. Rather, they describe an opportunity tragically lost. They tell us that

by early 1969 only the very same people who had made most of the miscalculations which carried us up to March of 1968 with a big war and no solution still believed that the war in Vietnam was winnable in any practical sense. The Joint Chiefs of Staff, and the military command in Vietnam, and the diehards in the Saigon embassy still believe this. But there was a considerable body of opinion that believed otherwise, that was prepared to support and reinforce a new, more realistic and more promising approach to Vietnam. By and large, the Secretary of Defense and the State Department and the CIA believed:

That the North Vietnamese had the will and the resources to carry on the war indefinitely against unlimited bombing;

That the South Vietnamese showed little prospect of ever being able to conduct their end of the war without extensive American military support including the use of air power and combat troops;

That pacification wasn't working and showed little hope of working over the long haul;

That B–52s were a doubtful asset except for close-in tactical support of combat operations;

That there was something to be said for promoting accommodations on the local level, in the districts and villages and provinces, between the government people and the Viet Cong;

That neither this country's standing in the world nor the fate of Southeast Asia, hinged on the outcome of the Vietnamese struggle.

But Mr. Nixon ignored the best part of this counsel and so here we are, having dropped more bombs in the last three years than in all of the five years of the Johnson administration and having suffered more than one-third of all the American casualties that have been suffered in this war—and still with no solution. So it is no longer enough—now that we have seen the Kissinger Papers—to be told that this is not Mr. Nixon's fault because he didn't lead us into it. That's true; he didn't. But he had running room in early 1969—much more than we knew. And because he didn't use it, Mr. Nixon cannot be pictured any longer as the hapless prisoner of past policy. The message from the Kissinger Papers is plain. Just as the responsibility for the early Vietnam involvement and the later build-up may have been, progressively, Dwight D. Eisenhower's and John F. Kennedy's and Lyndon B. Johnson's, what we are now confronted with, for better or worse, is Richard M. Nixon's war.

LUKFATA LAKE

Mr. BELLMON. Mr. President, the Army Corps of Engineers is now holding public hearings in Oklahoma and completing its environmental impact statement on a controversial flood control project known as Lukfata Lake.

The Lukfata project was authorized by Congress 14 years ago in the Flood Control Act of 1958 which modified another flood control act approved 26 years ago. At the time the project was authorized, its purposes appeared highly justified and necessary.

With the passage of time, the views of many citizens have changed and the real needs of the State have become more clear. The purposes for which this project was authorized are no longer a matter of priority and substantial opposition to construction of the dam and reservoir has developed. Yet, the corps is still under congressional mandate to build the project.

The controversy over the Lukfata project clearly points up the need for Congress to periodically review authorized water development projects to determine if they remain necessary. Such a review has been proposed by the Water Resources Council.

Earlier this week I testified at a public hearing on the Lukfata project, expressing my views on this subject and pointing up some of the shortcomings.

I ask unanimous consent that my testimony be printed in the RECORD.

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

STATEMENT BY SENATOR HENRY BELLMON

First let me commend the Corps of Engineers for the thorough evaluation contained in the Environmental Assessment of Lukfata Lake, including a thumbnail sketch of many possible alternatives to the proposed project. Such objective analysis of potential public works projects is absolutely essential if members of the public are to play a meaningful role in guiding and developing government policy in such undertakings; and equally essential if the public is to support public works and have confidence in representatives of the government and its agencies.

I further commend the Corps for providing the opportunity for public comment at this hearing today and the second hearing to be held in Broken Bow. In this manner, we are assured of receiving the broadest possible expression of views by those who have sincere interest in the proposed project; also we help reaffirm that our representative form of government still functions as was intended.

The Lukfata Project which we have before us today would have an initial cost of nearly $18 million. Taking into account the interest and annual operation and maintenance expense, the total cost over the 100 year life of the project would be $90 million.

The projected annual benefits are approximately one-and-one-half million dollars. Half of those are credited to water supply.

According to all available information, current sources already supply all the water needed within the region of the project and will continue to do so for many decades. The region is blessed with plentiful—even surplus—water and no present or near future demand for additional sources has been brought to my attention.

Other areas of our state are not nearly so fortunate, however. Dozens of Oklahoma communities today are desperately in need of water; and even though water resources are available to meet the local needs, a lack of money for construction and development has left those needs unmet. As a result, crops are destroyed from lack of irrigation water, cities are forced to ration water to local residents and economic development is impeded because industrial water needs cannot be met.

The Corps of Engineers and other federal agencies are now designing a statewide system to move water from eastern Oklahoma to dry sections in the western half of the state. This system has the potential of solving the water problems in most sections of Oklahoma. But even planning of the statewide water system is not moving ahead as rapidly as it could, because there is insufficient money available for planning.

In my view it would be highly irresponsible for the federal government to construct additional water supply shortage facilities in an area of surplus water when other nearby areas are in desperate need and begging for money to build water supply reservoirs to meet today's needs.

It is my firm conviction that no benefits should be claimed or allowed for water storage in regions of surplus water, unless present or near future demand can be demonstrated . . . especially when current water needs of other areas are unmet.

If water supply benefits were eliminated from Lukfata project, half of the total annual beneficial results would be lost and the cost benefit ratio would fall below unity, making the project unfeasible.

Project benefits are also claimed for redevelopment and future development of the flood plain below the dam. At the present time, 60 million acres of productive farm lands are kept out of production each year, through Federal programs, to avoid agricultural surpluses. The cost to the taxpayer to take those lands out of production is three-point-seven billion dollars a year. Each time an acre of new land is put into production, an acre of land someplace else must be taken out of production.

It is highly inconsistent and questionable economics for the federal government to spend money on dams to put additional acres in crop production, then spend more money to take that same amount of land out of production someplace else.

It is my firm conviction that no benefits are presently justifiable for future development of the flood plain below the proposed Lukfata dam.

It is further highly questionable to claim economic benefits to the local area which will result from the actual construction activity. If this money is not spent on the Lukfata project, it will be spent elsewhere on some other project; and no matter where it is spent, the same degree of short term economic advantage will be gained. Therefore, it seems inappropriate that such benefits should be attributed to the project itself. No real added benefits are accruing, merely a transfer of benefits from one area to another.

While no recreation benefits are claimed for the project, recreation has been considered in the assessment. Two large reservoirs are already situated adjacent to the proposed project—both of which presently under-utilized for recreation. To add more flat-water type recreation to the region will merely siphon away use of the existing lakes and increase the surplus of a single type of recreation. At the same time, river-based recreation which is in short supply would be largely eliminated. Thus, from a recreational point of view, construction of Lukfata Dam must be considered a negative factor.

As a farmer, a landowner, and a resident of areas that have been subject to flooding, I fully understand and know well the tragedy of floods. I recognize the damage to life and property that floods can bring. For this reason, the position of those persons who are victims of flooding on the Glover River is easily understood. They deserve assistance, and I would support the use of federal funds to provide relief. Residents and landowners should receive the maximum flood control assistance available from the federal government, giving them opportunity to relocate or to change their operations to a type that will not be adversely affected by flooding. The environmental assessment lists numerous alternatives to achieve the necessary relief at substantially less cost than the proposed flood control project. I would support whichever proposal achieves the greatest flood control benefits at the most reasonable cost. I am inclined to believe that non-structural alternatives may be desirable and may serve the over-all public interest best.

As I view the Glover River and its adjacent area, it seems quite probable that the highest and best use to be made of the resource is for public recreation, compatible with timber and livestock production. This view has been supported in reports and surveys by one or more agencies of the U.S.

Department of the Interior. This being the case, it is my recommendation that the Corps examine in greater detail some of the nonstructural alternatives identified in the Environmental Assessment.

We must all recognize that the Glover River is a highly valuable resource. It is Oklahoma's last significant free-flowing stream; it is one of the few significant wilderness streams left in the state, and it has a considerable amount of aesthetic value.

It is also a valuable natural resource from the point of view that it has the potential for providing a sizeable quantity of water and other economic benefits.

This potential water supply will not go away; it will always be there. Nothing is lost if it is not developed immediately. And if the time comes when there is demand for the water, or if the lands below the proposed dam site are needed for cultivation, the option to build the structure is still available.

At the present time, however, there is no need for the water and there is no need for more farm land. Consequently, I cannot support a project which depends upon these factors for justification when so many other projects are in urgent need of funding.

Once again, I appreciate this opportunity to comment and commend the Corps for its objective assessment of the proposed project.

DEDICATION OF GOOD SAMARITAN REST HOME

Mr. CHILES. Mr. President, during my campaign walk through Florida in 1970, I had the opportunity to attend the groundbreaking ceremony for the Good Samaritan Rest Home in Sanford. This biracial home for the aged is a living tribute to Mother Ruby Wilson, a black lady who has been an inspiration to the entire Sanford community. On that day, I said that it seemed a shame that her life should be hidden in Sanford, rather than being an influence all over the State.

On April 16, 1972, I again had the privilege of being in Sanford—this time for the dedication of the new home. It was a happy day for Mother Wilson, for the small community and for the entire State of Florida. As Ruby Wilson so often stated:

All things are possible through the grace of God.

Mother Wilson, born in 1908, has been caring for the afflicted and the needy since she was 9 years old. She wanted to be a nurse, but nursing training was not available for blacks in Florida at that time, so she learned practical nursing.

In 1948, members of the Free Will Holiness Church, under Mother Wilson's guidance, built the first unit of the building as a haven for the aged, the handicapped, and the helpless, where no one was turned away, because of lack of funds. The State board of health told them they would have to close the home, because of inadequate fire protection.

However, Mother Wilson would not be discouraged and she started the building project involving a cost of over $50,000. Contributions came from all over Seminole County and from outside, from citizens of all races, creeds, colors, and economic status. More than 20 years later, the home is a reality.

Since the first opening of the home, over 500 people have been cared for by Mother Ruby Wilson and her dedicated staff. The Good Samaritan Rest Home is a nonprofit corporation, still associated with the Free Will Holiness Church. Mother Wilson also oversees Rest Haven, a shelter for homeless children; a day-care center for the children of working parents and a storehouse. In this storehouse, Mother Wilson gathers food, clothing, appliances, furniture, wood fuel, and other useful items donated by the general public. She then dispenses them as "blessings" to the needy persons in Sanford.

The dedication, devotion and hard work of Mother Wilson and the citizens of Sanford should serve as an example to us all. I have watched the people of this community—black and white, rich and poor—work together for the common good. It has been a heartwarming experience for me and it reaffirms my faith in local community action and participation. I ask unanimous consent that an article from the April 17, 1972, Sanford Herald be printed in the RECORD.

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

GOOD SAMARITAN HOME DEDICATED

(By Ann Sieczkowski)

"The Impossible Dream".

No, not impossible—not even improbable—not with the abiding faith in God which sustains that unshakable attitude of a wonderful woman, Ruby Wilson, who unswervingly believes that "All things are possible through the Grace of God".

Sunday was a day of profound impact on the lives of 26 residents of the Good Samaritan Home, and on the lives of the incredible Mother Wilson, her husband, Timothy Wilson, and the board of directors of the Home which has been for so many, a home, love, care, and work, all of which contributed to the restoration of a will to live, a revitalized sense of personal dignity and worth, and a desire to return that kindness received at Good Samaritan with good services to others.

For today marks the realization of a dream long held by Mother Wilson and her board at the home and a volunteer board of local citizens whose efforts throughout the past several years has culminated in the ceremonies celebrated on a Sunday afternoon made brilliant with the glorious rays of Florida sunshine and further enhanced with the smiles of equal brilliance on the faces of those who have worked for so long for this day to arrive.

On this auspicious occasion—the dedication and ribbon cutting signifying the opening of the new Home for at least 26 residents—a home where citizens from all walks of life and from all over Seminole County as well as many from outside the county, have contributed towards its completion and still contributions come in.

Present to share the joy of Mother Wilson and the guests of the home were steering committee chairman John Krider; treasurer, Robert Daehn, and members of the committee, Dr. and Mrs. Vincent Roberts, Henry McAllister, Mrs. Randall Chase, Mrs. J. J. Sieczkowski, Dr. George Starke, Charles T. Phillips, Dr. J. C. Ringling, Arthur Mackey, Robert Ek, Martin Neiswander, D. C. McCoy, Mrs. G. Jackson, Rev. J. E. Conley, Gordon Bradley, E. L. Blackshear, Sidney Vihlen, Mrs. Helen Tucker and George Touhy.

It was in 1948 that members of the Free Will Holiness Church, under Mother Wilson's leadership, built the first unit of the building which has served since that time as a refuge from a world where nobody else cared. The aged, the handicapped, and helpless persons came or were sent by authorities, or were brought by someone who knew of the work going on at Good Samaritan. The Home is open to anyone regardless of race, color or creed. If the person has the means, he is requested to pay a small fee but he will not be turned away because of lack of money.

In addition to caring for those who require special attention, Mother Wilson also has, through the generosity of the area citizens stocked a small store house with good usable clothing, appliances, furniture, dishes, fuel. These are dispensed among the needy persons who are brought to the attention of Mother Wilson.

And these two functions are not the end of her boundless energy and remarkable contributions to ths community—she also established a day nursery for working mothers, in which classes are held and taught by Lelia Ross, wife of one of Mother Wilson's assistants. Mrs. Ross, who studied at Stetson University, performs these services at the little school at considerable financial sacrifice but says that she would have it no other way. Also sheltered from the environment which denied them are orphaned and abandoned children.

Stirring musical tributes were sung by the Community Singers under the direction of Joseph Williams and selections by the Woman's Club Chorus of Deltona with Mrs. Paul Rose, director, evoked enthusiastic applause as they sang for the large crowd assembled on this momentous occasion to celebrate the realization of "The 'Not' Impossible Dream.", the dedication of a new Good Samaritan Home and the beginning of another era in unexcelled community service by Mother Wilson and her staff.

Master of ceremonies for the dedication program was Daehn, treasurer of the steering committee. The inspiring invocation was given by Charles Phillips. Acting Mayor Gordon Meyer spoke of the asset to this entire area which is embodied in the operation of the home. Dr. Starke referred to the dedication of this home as a dedication to mankind, as it has always been truly a dedicated service to the less fortunate. The blessing and benediction spoken with such reverence and gratitude by Rev. William Pickett, of Community United Methodist Church of Casselberry, concluded the program, followed by the ribbon cutting and an open house celebration.

The church and the new home were filled to capacity with well wishers and it was a joyous and beautiful thing to see how much has been accomplished. To see the faces of some of the residents being taken through the new home and hear them say, "Is that really going to be my room?" was enough to make one glad that one had even a small part in today's events. And it was enough to make first time visitors want to become a part of that home by helping.

HOUSING PROGRAM SCANDALS

Mr. TAFT. Mr. President, our housing programs have recently been rocked by scandal after scandal. We have received news of massive housing frauds involving Government subsidies from New York, St. Louis, Detroit, Philadelphia, and other cities. At the same time, the expense of maintaining these programs is mushrooming.

This situation has led some observers to conclude that it is time for a complete overhaul of Federal housing programs. The Wall Street Journal recently published an excellent editorial along these lines. I ask unanimous consent that it be printed at this point in the RECORD.

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

HOUSING

The dimensions of the housing mess become more apparent every day. An FHA scandal in Detroit could cost the government over $100 million in losses. . . . On Wednesday, a U.S. attorney in New York brought a massive housing case against Dun & Bradstreet, nine other corporations and 40 individuals, charging wrongdoing that involved 5,000 houses and $200 million in potential FHA losses. Nationally, it has been estimated that the FHA's losses to housing frauds could cost the government over $500 million. And the FHA scandals are only a part of HUD's troubles.

The troubles can mainly be attributed to the Housing and Urban Development Act of 1968, which President Johnson proposed and a friendly, and somewhat naive, Congress approved.

In typical Johnsonian rhetoric, the President posed a "massive national need" for 26 million new homes and apartments in a decade to replace "shameful substandard units of misery where more than 20 million Americans still live." The new bill not only relaxed FHA standards for insuring central city home purchases but also provided direct mortgage interest subsidies so that families both below and somewhat above the poverty line could buy their own homes.

The scandals in Detroit and elsewhere can be credited heavily to the ensuing pressures from Washington to guarantee and subsidize central city housing. Local FHA offices apparently became easy marks for land speculators who lined up families that qualified for the new subsidies and sold them substandard housing at inflated prices. Some of the families were so poor or transient that they couldn't or didn't meet payments on their mortgages, despite the subsidies. So they moved out or were foreclosed, leaving the FHA stuck with large mortgages on low-value property. Nationally, the FHA had to repossess 36,000 houses last year, a sharp rise from 1970.

Irving Welfeld, an attorney who has worked for HUD in various roles, writes in the forthcoming issue of "The Public Interest" that the liberal features of the 1968 act allowed it to benefit almost everyone more than the truly poor—builders, speculators, lenders and home buyers and tenants who were not really poor. The usual anomalies developed between subsidized families who were enabled to live better than more industrious but unsubsidized families. Finally, Mr. Welfeld cites statistics showing that the presumed general housing shortage was largely a myth, since housing construction has been outpacing new household formations for two decades. The empty housing in Detroit offers testimony to this idea.

The reason the HUD problem deserves immediate attention is that the mortgage interest subsidy commitments provided by the 1968 act rise geometrically as new subsidies are granted. HUD granted $1.3 billion in subsidies last year but since the subsidies cover interest on 30-to-40-year mortgages, its long-term commitment already is $30 billion. By 1978, federal officials estimate, it will be spending $7.5 billion annually but its long-term commitment will be a staggering $200 billion.

All of which suggests that Congress should move quickly to foreclose the present HUD subsidy system. Mr. Romney has suggested that it might be cheaper for the government to pay housing supplements directly to poor families and let them find their own accommodations. It sounds like a good idea, relatively at least, and HUD intends to give it a test.

There is no denying that it will take some doing to untangle the mess, given the special interests involved. However, when the man in charge of a program is himself willing to admit that the program is faulty, and when massive scandals are surfacing, how long should it take for Congress to get the message?

Mr. TAFT. Mr. President, I can certainly sympathize with those who suggest that Congress gear up immediately to rectify the problems discussed in this editorial. Any program which is capable of producing low-income housing in Washington at a total cost to the public of $76,000 per unit, as the Washington Post recently reported, deserves the outrage of every taxpayer. In my opinion, however, it would be unwise to take hasty legislative action at this point. The housing problem is so perplexing that despite the obvious shortcomings of present programs, neither HUD nor the Congress has been able to come up with any major proposals for reform. Such a problem is not the kind which we should attempt to settle legislatively in the summer of an election year. It would be a tragic mistake, on the other hand, to react to recent scandals by simply cutting back Government housing programs. For millions of Americans, Federal housing assistance is crucial if they are to have any hope of escaping an unsafe, unpleasant, and unhealthy living environment.

It is the executive branch of the Government rather than the legislative branch which can and must respond to the housing scandals effectively and immediately. Secretary Romney has demanded that the administration of FHA programs be tightened up. Speculators and other fast-buck artists can no longer be allowed to take advantage of these programs and the low-income Americans that they serve. To get rid of the speculators, the FHA will have to upgrade its inspection procedures for existing housing. Because homebuyers consider FHA approval as proof that a home is in good shape, the agency cannot be content just to appraise these dwellings. In March 1971, HUD found in a random sampling of section 235 homes that 25 percent of the new units and 44 percent of the existing units had serious defects. It will be difficult to remedy this situation unless FHA inspections are improved. The FHA must also be increasingly careful to exclude known shysters in the real estate, home repair, and mortgage lending businesses from Government housing programs. Transactions involving property which has not had a history of stable ownership should be looked at especially critically by the FHA. We cannot tolerate any further recurrences of the heretofore common scenario, whereby a speculator buys a deteriorating property, holds it for a short time, and then sells it at a vastly inflated price under the auspices of an FHA program.

The FHA can help to prevent housing tragedies by enforcing more stringently the income requirements for its homeownership programs. Too many people have been allowed to become saddled with mortgage payments which they cannot really afford. In other cases, the new owners have been able to meet the monthly mortgage payments but could not find the money to fix the plumbing when it broke down 2 months after they assumed the mortgage. The result has been misery for the new homeowner, and the ownership of one more inner-city property by George Romney.

The chances for success of our new low-income homeowners will be further enhanced by an effective and expanded counseling program. I applaud HUD's recent efforts to move in that direction.

The importance of making these improvements in our present programs is paramount. At the same time, however, the shortcomings which the scandals have pointed up make especially interesting the HUD experiment to which the above editorial refers. HUD's housing allowance experiment is now at the end of its planning stage. It will involve approximately 30,000 people in 10 to 15 different cities.

The housing allowance approach has worked well in many other countries, including Sweden, Britain, the Netherlands, France, and West Germany. Unlike the methods which we presently use to subsidize housing, this approach ties the subsidy directly to housing needs rather than to housing units. It therefore can be applied by the user to any housing which he sees fit, including new, rehabilitated, or existing housing. Because the application of the housing allowance is not limited to specific units, it should be able to be used by more low-income people than present programs. Our present housing programs reach only about 10 percent of those eligible for assistance. Several research groups have concluded that for the same expense, a housing allowance program could effectively reach twice as many people.

The major problem with housing allowances is the possible inflationary impact resulting from the subsidized increase in housing demand. Rents are expected to rise in cities where the housing allowance experiment is widespread. It is hoped that the increased rents will not be a purely negative factor, but will stimulate increased construction and rehabilitation as well as improved maintenance of existing units.

In its 1971 report, the House Housing Subcommittee stated that—

> Housing allowances, combined with effective production incentives, may potentially represent the most effective of all approaches to the solution of the nation's housing problems.

I urge the Congress to follow the progress of this crucial experiment carefully. To meet the challenges which face us today in the field of housing, we must be willing to utilize both old and new ideas. We must strive for more mileage from the existing programs in the ways which I have recommended, and at the same time keep an open mind with regard to the possible adoption of promising new programs such as housing allowances.

ENFORCEMENT OF ANTIDUMPING LAW

Mr. FANNIN. Mr. President, for several years I have been encouraging the Treasury Department to enforce certain of our existing laws regulating unfair trade practices. Now I would like to give credit where credit is due. I would like to point

out the splendid effort being put forth in the Treasury Department to enforce our antidumping law and to comment on a recent decision by the Tariff Commission.

During March a year ago, I called the attention of Senators to a decision of the Tariff Commission. At that time I stated that I was encouraged to see that the Tariff Commission was taking action against the illegal sales tactics of Japanese television manufacturers. In addition, it was my hope that the action would serve notice that the United States will no longer tolerate dumping and other unfair trading practices by the Japanese or any other foreign manufacturers of any products.

Mr. President, I am again extremely pleased to report that my hopes were not unfounded. The Tariff Commission has once again taken a forceful step to correct one of our serious trade problems by enforcing our antidumping law.

The Commission has found that the domestic industry manufacturing large power transformers was being injured by imports from France, Italy, Japan, Switzerland, and Britain. Imports from these countries totaled $11 million for 21 months in 1970–71.

Mr. President, the action by the Tariff Commission would not have occurred if the Treasury Department had not previously found that the foreign manufacturers were selling in this country at prices less than fair value. This significant decision follows the tougher policy of enforcement by the Treasury Department for which they are to be highly commended.

An excellent speech by Eugene T. Rossides, Assistant Secretary of the Treasury, sets forth the progress now being made by the Department in combating unfair trade practices. Mr. Rossides states in part:

From the inception of President Nixon's Administration, the Treasury Department has vigorously attacked discriminatory pricing techniques of foreign exporters. Treasury and its Bureau of Customs have accelerated and expanded the use of statutes specifically designed to protect U.S. industry against unfair foreign competition. We have institutionalized the supervision of the administration of the Antidumping Act and the countervailing duty statute and other aspects of tariff and trade relations by setting up an Office of Tariff and Trade Affairs in the Office of the Secretary.

The Antidumping Act is designed to prevent injurious international price discrimination—typically, selling in the U.S. market at prices lower than in the foreign home market. The countervailing duty statute is designed to counteract and prevent foreign subsidies on exports to the U.S.

The Treasury, under this Administration, has rejuvenated what was largely a moribund Antidumping Statute. We have significantly increased actions under this statute in the past three years. We have eliminated loopholes. And we have expedited consideration of complaints from domestic manufacturers by adding manpower and streamlining procedures.

Mr. Rossides further states that:

Amendments of our Antidumping Act and countervailing duty statute may be required to achieve freer and fairer competition in international trade. And, once the long-range adjustments of tariffs, quotas, and other barriers are accomplished, these same measures can serve to maintain the integrity of those agreements.

Mr. President, I look forward to doing all I can to assist the Treasury Department in strengthening our antidumping and countervailing duty statutes.

Mr. President, I ask unanimous consent that the entire text of the remarks by Assistant Secretary Rossides be printed in the RECORD.

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

PRESIDENT NIXON'S NEW ECONOMIC POLICY AND THE DOCTRINE OF FAIRNESS IN INTERNATIONAL TRADE

President Nixon's New Economic Policy, announced on August 15, 1971, marked a watershed in world history, not just U.S. history. The President's actions marked the end of one era—"the end of the post-war world" as Secretary Connally said last month—and the dawn of a new era in international economic relationships.

The President's goals were three—to curb inflation, to generate jobs by stimulating responsible economic growth, and to strengthen the position of the United States in the international trade and financial community.

Today, I shall talk primarily about the U.S. position in international trade—a Doctrine of Fairness—with special emphasis on Treasury's role and responsibilities in this area, and the need to perfect international organization and procedures for effective solutions of trade problems.

WHY ARE WE IN A NEW ERA?

At the end of World War II, the United States was the wealthiest, most powerful nation on earth. A large part of the world was in ruins, physically, politically, and economically, after the holocaust that it had just experienced. The United States exhibited truly unselfish and generous leadership in an effort to bring these ravaged areas back to normal. We did this in our own long-range national interest but at considerable sacrifice.

It made sense for the United States to do everything possible to assist both our former allies and enemies to regain their feet. And so, we literally showered U.S. dollars and expertise on these countries. The American taxpayer accepted the burden of the nearly $150 billion in economic and military aid that was made available over the past 25 years, for he understood the relationship between a prosperous world economy and his own well-being.

But conditions have changed and we now find ourselves confronted with an entirely different picture. Although the United States is still the most important free world power, it is no longer the only free world power. Other nations are again in a position to challenge us economically and politically. The United States is now one giant among several.

THE LONG-RUN TASK

What does this new era signify for the United States and the rest of the trading world? Essentially, the long-run task facing the United States and the world community is the creation of an international economic system which, on the basis of mutual advantage, will stimulate international trade and freer competition, draw nations and people together, and thus form the basis for a lasting peace with prosperity.

PROGRESS MADE SINCE AUGUST 15, 1971

In his policy role as chief economic spokesman for the President, Secretary Connally has already sketched in broad outline form the new policies to be followed. The domestic and international fronts, which cannot be separated, have seen considerable progress in the eight months since August 15, 1971.

On the domestic side, economists are virtually unanimous that activity is expanding vigorously. Industrial production rose strongly in March, the seventh consecutive monthly advance. The other two economic indicators for March presently available—total employment and retail sales—also showed strong gains. Employment rose by 620,000 to 81.2 million—the largest gain for a month since mid-1967. These indicators are further evidence that the economy is in a strong expansionary phase.

On the international side, the Smithsonian Agreement of December 18, 1971, was a significant breakthrough and has given the new era a substantial forward thrust. That agreement included a multilateral realignment of exchange rates, commitments to discuss more general reforms of the international monetary system, and commitments to begin discussions to reduce trade barriers, including some most harmful to the United States. For its part, the United States agreed to recommend to the Congress that the price of gold in dollars be raised when progress had been made in trade liberalization.

On February 9, Secretary Connally transmitted to the Congress a draft bill providing for devaluation of the dollar by 8.57% to $38 per ounce of gold. In signing that bill into law on Monday, April 3, the President said that the basic significance of the Smithsonian Agreement and the legislation is:

"That it provides for continued cooperation among our allies and ourselves—and thus strengthens our unity—as we work toward an 'open world' based on a more balanced monetary system and a more equitable international trading environment."

Simultaneously with the Smithsonian Agreement, commitments were made by some of our allies to assume a larger share of the costs of common defense.

Substantive agreements have also been reached with the European Community and with Japan to remove or lower certain barriers against U.S. products and to support multilateral and comprehensive trade negotiations in 1973, meanwhile solving more immediate problems in 1972 through the GATT. The Administration will seek the necessary legislative authority for these comprehensive negotiations.

DOCTRINE OF FAIRNESS IN INTERNATIONAL TRADE—ABROAD AND AT HOME

Abroad

These are some of the accomplishments to date on the international trade front. All of the United States' efforts in international discussions have been dedicated to one objective—the establishment of a Doctrine of Fairness in International Trade.

The President and Secretary Connally have served notice that the United States is no longer going to compete with one hand behind its back. To compete fairly abroad, we must have fair access to the markets of Europe, Asia, South America, Africa, and the rest of the world.

I do not mean to imply that the United States is expecting to obtain something for nothing. We recognize that some of our practices are regarded by other countries as discriminatory. But in our trade negotiations we do have a right to demand a fair bargain. *We insist only on the right to compete fairly abroad.*

As Secretary Connally said in Munich last May:

"No longer will the American people permit their government to engage in international actions in which the true long-run interests of the U.S. are not just as clearly recognized as those of the nations with which we deal."

The point he conveyed to all is that the United States can no longer stand by complacently when markets are closed to us or

where the "rules of the game" seem to be rigged against us.

When our foreign friends complained about the temporary 10% additional duty adopted as part of the President's new economic program, they did not mention in their complaints the barriers they maintain against U.S. exports to their countries.

These barriers take various forms—quotas no longer justified by economic factors, *discriminatory* taxes such as progressive taxes on horsepower directed at the export of U.S. automobiles, discriminatory tariff arrangements such as the Common Market preferences and reverse preferences, which establish a lower tariff on the exports of Common Market members than on those of the U.S. and others into third markets, both in developing and developed countries.

These barriers were not wiped out by the Smithsonian Agreement. Moreover, I regret to say that some new actions have been taken since the date of that agreement. For instance, the Netherlands has put a quota on electronic goods from Japan. That action has the effect of putting further pressure on our own market. We have a long way to go in order to achieve a fair break in international trade for American industry and agriculture.

Since the post-war years, the United Kingdom has maintained quotas for balance of payments reasons on imports from the dollar area of fresh, frozen, and canned grapefruit, orange juice, and rum—this despite the fact that the balance of payments justification for these quotas has long since passed. Indeed, the British are now in balance of payments surplus, and removal of these quotas, which the United States has been seeking for over 20 years, is certainly long overdue. Is this fair trade?

Similarly, France imposed quotas several years ago for balance of payments reasons on imports of semi-conductors. Although the French authorities have liberalized these quotas over the years, an intricate licensing system inhibits our exporters from supplying the French market. The balance of payments justification for protection has long since ceased and this obstacle to trade should have been eliminated years ago. Is this fair trade?

In the past few weeks, the European Community has instituted a new system of compensatory duties so as to continue to protect its domestic agricultural markets from more efficient foreign production in the face of the recent currency realignments. In so doing, the European Community did not hesitate to break the negotiated rates (to which all negotiating parties are supposedly bound) on some 40 million dollars' worth of trade. They did this despite the fact that it was a clear violation of the GATT. The United States has some interest in the EC's actions, for our cost of production for basic agricultural commodities approximates half of that in the Common Market. Is this fair trade?

The Community's regulations have restricted Japanese imports to 6 percent of that country's overall exports—this in contrast to the 30 percent which Japan exports to the United States. By restrictions such as these, the Common Market has literally forced the Japanese to concentrate their export drive on the United States. Is this fair trade?

Japan now has $17 billion in foreign assets reserves. We have approximately $12.5 billion. While the United States had a balance of payments deficit last year—and has had one for over 20 years—and our first trade deficit since 1888—Japan had a trade balance surplus last year of 7.9 billion dollars, the highest in the world and this year's balance for them will be even larger since their exports are likely to run 20% above 1971.

Many factors, in addition to U.S. policy, contributed to Japan's economic success. Japan, which was allowed to maintain quotas for balance of payments reasons when it entered GATT, still retains many of these quotas, this despite an economic recovery which is commonly referred to as the Japanese miracle. "Administrative guidance" by Japan which impedes our exports and focuses on their export drive to the U.S. is a central factor in Japan's economic success. Is this fair trade?

AT HOME—TREASURY'S ROLE IN COMBATING UNFAIR TRADE PRACTICES

Against this backdrop, there are very positive measures this Administration has already taken at home to rectify our trade imbalance and protect jobs in the U.S.

From the inception of President Nixon's Administration, the Treasury Department has vigorously attacked discriminatory pricing techniques of foreign exporters. Treasury and its Bureau of Customs have accelerated and expanded the use of statutes specifically designed to protect U.S. industry against unfair foreign competition. We have institutionalized the supervision of the administration of the Antidumping Act and the countervailing duty statute and other aspects of tariff and trade relations by setting up an Office of Tariff and Trade Affairs in the Office of the Secretary.

The Antidumping Act is designed to prevent injurious international price discrimination—typically, selling in the U.S. market at prices lower than in the foreign home market. The countervailing duty statute is designed to counteract and prevent foreign subsidies on exports to the U.S.

The Treasury, under this Administration, has rejuvenated what was largely a moribund Antidumping Statute. We have significant increased actions under this statute in the past three years. We have eliminated loopholes. And we have expedited consideration of complaints from domestic manufacturers by adding manpower and streamlining procedures. In short, Treasury is now administering the Antidumping Act more nearly in the manner intended by Congress. This is what industry has a right to expect. But more is needed.

Perhaps, criticism from abroad had to be expected. But, the point is that these actions are taken and justified in defense of fair trade—and without a sense of fairness, the prospects for freer trade would be bleak.

Now, we are studying possible refinements and expansions of the use of these measures which protect U.S. industry against unfair competition. In new proposed antidumping regulations which will be published this week, we plan to clarify and tighten further the procedures of the Antidumping Act.

Amendments of our Antidumping Act and countervailing duty statute may be required to achieve freer and fairer competition in international trade. And, once the long-range adjustments of tariffs, quotas, and other barriers are accomplished, these same measures can serve to maintain the integrity of these agreements.

INTERNATIONAL REFORMS

In analyzing what we can do to enable U.S. producers to compete more effectively under fair rules of international trade, we must of necessity examine closely the implementation of those rules and even question the nature of the rules themselves.

We face a situation in which such basic GATT rules as most-favored-nation treatment are increasingly violated. We are also concerned that foreign dumping and subsidizing of exports to third countries have the effect of freezing U.S. manufacturers out of these markets. Moreover, while we favor U.S. capital investment abroad on as liberal terms as our balance of payments allows, we cannot continue to permit U.S. capital to create jobs abroad if domestic U.S. manufacturers are prevented by discriminatory barriers from selling in these markets on equal terms.

If the GATT itself proves unable to face up to the realities of today's world, and we hope that it can measure up to its responsibilities, we may have to give thought to other ways of meeting the needs. If we are to reach our goal of a bright new international future, the rules and procedures of the past must be adapted to the world of the 1970's.

There is clearly a need for an international forum or forums in which the interrelationship of all the factors affecting international economic matters—monetary, tax, and trade—can be discussed, not piece-meal, but as part of a whole problem of economic health for all participating nations.

Secretary Connally, in his March 15 remarks, stressed the need to recognize such links in the international economy when approaching the issue of monetary reform.

Indeed, the international discussions of last fall, following the President's declaration of his New Economic Policy, were successful in achieving the recognition of the interrelationship between international monetary and trade matters. Accordingly, the President placed in the hands of Secretary Connally, his chief economic spokesman, the broad responsibility and negotiating authority to do the job

Secretary Connally has commissioned Under Secretary Volcker to discuss with our principal trading partners the development of an appropriate forum or forums. Under Secretary Volcker has recently talked with his colleagues in Europe and has been in Japan over the past weekend for discussions of this matter.

IMPLEMENTATION VERSUS POLICYMAKING

It has often been said, "Important as it is to make policy, it is even more important to implement it."

It could very well be that more forceful administration of the Antidumping Act and countervailing duty law in earlier years would have eased our problems today. I can well remember my confirmation hearing when each and every question of the Senate Finance Committee dealt with these two statutes and whether I intended to enforce them. For months thereafter, the same Senators were telling me, "You have those statutes, use them." Well, this Administration has used the Antidumping Act effectively and, as I mentioned, is reviewing the countervailing duty law.

But, there are other aspects of implementing trade policy in day-to-day operations which strongly affect our international trade and our balance of payments.

The main day-to-day operating bureau in the U.S. Government affecting international trade is the Bureau of Customs. Secretary Connally has directed that the trade and tariff aspects of that Bureau's operations be given the highest priority. This included not only the operating responsibilities of the Bureau of Customs in the area of antidumping and countervailing duty, but also its role in classification and valuation of imported merchandise, administration of quotas and marking requirements, prevention of smuggling, monitoring voluntary restraint arrangements, and investigation of commercial frauds.

We also have under way a Treasury study to analyze the data that is available in international trade matters. Here again, the Bureau of Customs is the prime source for data regarding trade matters and yet, for analyzing and interpreting that data, its resources have not heretofore been fully utilized. This also we are moving to correct.

THE FUTURE

In summary, President Nixon's Administration has moved forcefully to improve our international trade and monetary position. We have given our anti-price discrimination tools

the most vigorous exercise they have ever had. We have negotiated the removal of various trade barriers and set the stage for an overhaul of the international trade mechanisms in the near future.

Secretary Connally has demonstrated what can be accomplished by a single chief economic spokesman for the President. We are seeking an international forum which will enable us to deal with the problems in their full depth and perspective. And we have identified the need within the Executive Branch to institutionalize these capabilities.

The President has made it clear that he intends to meet the challenge of the future by stimulating our economy to ensure our continued efficient and competitive position in the world. This means that inflation and unemployment in the United States will be reduced while investment in new plants and equipment by the private sector are stimulated.

While building this stronger economy at home, we must remain outward looking and international in our initiatives overseas. This Administration is committed to such a course. Of course, our foreign friends and trading partners must be equally outward looking and international in their approach to their problems.

As Secretary Connally said when he addressed the Economic Club of New York last fall:

"We do not intend to become provincial. We shall not resort to protectionism. We shall carry our burdens on the international scene. But to do so it is essential to attain an equilibrium in our overall financial balance with the rest of the world. We seek no advantage of others. We propose to suffer no disadvantage. We seek a balance which will be to the benefit of all the nations."

* * * * *

"At stake are not narrow or selfish economic goals; beyond a fair balance of opportunity, we seek none. The basic issue is much broader. It is nothing less than rebuilding the economic foundation for promoting economic development, military security, and the free flow of commerce.

"To fail in our effort would be to fail not only as an Administration, nor even as a Nation. At stake is nothing less than the foundation for the freedom and security of this generation, and those that follow."

All Americans and all countries must be willing to make the necessary sacrifices and, as a result, all Americans and all countries will be beneficiaries.

What we seek are the conditions that will encourage freer and fairer trade throughout the entire world, develop growing domestic enterprise and employment, and insure these gains against the erosion of inflation.

The President's New Economic Policy advances these goals by laying the foundation for peace with prosperity throughout the world.

CONNECTICUT'S LAW DAY VOTER REGISTRATION DRIVE

Mr. RIBICOFF. Mr. President, once again this country is about to celebrate the role of law in the structure of our society by observing Law Day on May 1. Programs in every State of the Union will focus on the importance of the rule of law in insuring justice and fairness for all.

A program of particular significance will take place in Connecticut. A bipartisan effort is being sponsored by political leaders, organized labor, and business to register voters throughout the State. Encouraging widespread voter participation is vital if we are to insure that this country's leaders and institutions truly have the consent of the governed. Our greatest defense against anarchy and tyranny lies in the thoughful exercise by each American of his right to vote in elections at all levels of government.

I applaud the leaders of the Connecticut Bar Association who have developed this campaign as part of the Law Day activities in Connecticut.

A CONCURRENT RESOLUTION PASSED BY THE GENERAL ASSEMBLY OF SOUTH CAROLINA REGARDING AMNESTY

Mr. THURMOND. Mr. President, the General Assembly of South Carolina recently passed a concurrent resolution memorializing Congress not to enact any legislation that would grant amnesty to draft protesters who have fled the country.

This resolution recognizes that to grant amnesty to draft evaders and deserters from the Armed Forces would be a mockery to those who have valiantly served and sacrificed limb and life for this country.

Mr. President, this resolution reflects the feeling of the vast majority of Americans today. Local, regional, and national polls on this issue confirm that the American public is solidly behind President Nixon's stand on this matter. The President stated that the question of amnesty should not even be considered as long as we have men being held as prisoners of war in Southeast Asia. Then each individual case should be considered separately.

Mr. President, on behalf of Senator HOLLINGS, and myself, I ask unanimous consent that this resolution be printed in the RECORD.

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

A concurrent resolution to memorialize the Congress not to enact any legislation that will grant amnesty to draft protestors who have fled the country.

Whereas, cowardice in the face of the enemy is in the eyes of patriots an act so dishonorable as to rank equally with treason, to overlook cowardice is to reward and reinforce it, to forgive it is to guarantee its recurrence; and

Whereas, there are thousands of brave, loyal Americans who are now dead, missing in action, prisoners of war, or crippled physically or mentally as a result of their service and loyalty to their flag, even in some cases against their will, and there are numbers of families, loved ones and friends of these brave men and women, who should not see their sacrifice mocked by granting of amnesty to cowards. Now, therefore, be it resolved by the House of Representative, the Senate concurring:

That Congress be memorialized to refuse to grant or to allow the granting of amnesty to all draft protestors who fled this country rather than to serve her.

Be it further resolved that copies of this resolution be forwarded to each member of Congress from South Carolina.

STREAM POLLUTION—AND A SOLUTION

Mr. McGEE. Mr. President, in the March issue of Soil Conservation, a publication of the Soil Conservation Service of the U.S. Department of Agriculture, there appeared an article pointing out how the citizens of Jackson, Wyo., met head on a pollution problem.

Confronted with pollution in Flat Creek running through the town of Jackson, the citizens of this scenic northwestern Wyoming community, along with State and Federal volunteers, donated time and equipment to haul trash from the stream.

Not only was the stream cleaned up, but it was also improved. In conjunction with the Wyoming Game and Fish Commission, the Soil Conservation Service developed a plan for further improvement of the trout habitat of the stream. That plan was implemented with the cooperation of landowners in the area.

Mr. President, I want to take this opportunity to pay special tribute to the efforts of the people of Jackson, Wyo., who took it upon themselves to personally do something about pollution in their community. This community concern and initiative is just one reason why Jackson, Wyo., remains free from air and water pollution.

I ask unanimous consent that the article appearing on pages 178 and 179 in the March issue of Soil Conservation be printed in the RECORD.

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

FISH AND KIDS LOVE A CLEAN STREAM

(By Douglas E. Paynter)

"Stream pollution in Jackson Hole?" asked a startled tourist. "I can't believe my eyes!"

The pollution the disbelieving tourist spoke of was a cowtown's discarded trash, accumulated over a period of several decades, along a mile-long stretch of Flat Creek running through the little town of Jackson, Wyoming.

In recent years, this same stretch of stream has been officially designated as a Children's Fishing Area by the Wyoming Game and Fish Commission. Only youngsters under the age of 14 are permitted to fish there. The commission keeps this part of Flat Creek well stocked with cutthroat trout.

In the summer of 1969, the editor of the *Jackson Hole Guide* conceived the idea of a "Kids' Fly Fishing Contest." Local merchants responded by providing more than $500 worth of prizes.

The contest was a rousing success. But many people, including contest judges and parents of the contestants, were shocked by the condition of the stream. During the contest, they saw children fishing among old rubber tires, oil drums, barbed wire, broken glass, tin cans—even the decaying rib cage of an elk. At the upper end of the fishing area, an oil leak sent a thin film of oil skittering over the water's surface. On the far side, a dozen houses had been built beyond the town's sewage disposal system. In several places, landowners had dumped fill along the edge of the stream.

Concern over the stream mounted. There was talk that a new bypass highway would obliterate the Children's Fishing Area.

Many people expressed a desire to help. The Jackson Town Council felt powerless because all the land was privately owned. Yet the 20 landowners seemed anxious and willing to cooperate. What could be done?

The Teton County Conservation District supervisors provided the necessary catalyst. They declared that, with SCS assistance, they would be happy to provide leadership for a restoration program.

The offer touched off a massive cleanup

campaign that found 2 dozen volunteers, wearing hip boots and waders, splashing through the chilly September waters collecting trash. On two separate weekends, several truckloads were removed. Boats and rafts were used to transport the debris to pickup points.

Volunteers came from organizations such as the U.S. Forest Service, Chamber of Commerce, Wyoming Game and Fish Commission, Trout Unlimited, Jackson Town Council, Jackson Hole ENACT Jaycees, and Jackson Hole Fly Fishermen's Club. Other help poured in from the rest of the community: a car dealer donated a tow truck to pull an old car body out of the stream; a repair shop donated special hand hooks for snagging trash from the stream bottom; a float-trip service provided two rubber rafts and a pram; a merchant served hot coffee and donuts; and a rancher loaned his dump truck to haul the trash away.

The results were overwhelming. The town council announced plans to extend sanitary sewers to the houses on the far side of the creek. The oil leak was located—the landowner agreed to stop the leak and, furthermore, offered to donate a parcel of land to Jackson for picnic use at the Children's Fishing Area. The local newspaper ran several picture stories on the cleanup. The Wyoming Highway Commission assured the group that the proposed bypass highway would be designed to complement the Children's Fishing Area rather than destroy it.

Last winter, Wyoming Game and Fish Commission officials and SCS developed a plan for further improvement of the trout habitat. Locations for rock jetties, deflectors, random boulders, and riprap were mutually agreed upon by the two agencies. A sketch showing the proposed work was presented to the landowners along the stream for their approval. Following this, a working agreement between these landowners and the conservation district was signed. The Game and Fish Commission allocated $1,000 toward the project, and the Jackson Hole Fly Fishermen's Club offered an additional $300.

In the spring of 1971, volunteers again put on their boots and placed, by hand, nearly 100,000 pounds of quarry rock for the habitat improvement structures. Where vehicle access was not a problem, the rock was loose-dumped to form jetties for velocity control.

The second and third annual Kids Fly Fishing Contests have been progressively better than the first. And Jackson residents no longer hear cries of "stream pollution" from startled tourists.

PROTECTION OF LIVES OF MEMBERS OF U.S. ARMED SERVICES

Mr. HRUSKA. Mr. President, as the brutal invasion of South Vietnam by Communist military forces continues, the criticism of President Nixon's response to this invasion continues as well. With a full appreciation of the fact that this is a significant election year, this Senator still finds it amazing that high elected officials—some of whom are presidential aspirants—would have so one-sided and distorted a view of what is going on in Vietnam. These people must, indeed, believe that Americans are a foolish and uninformed public, if they expect their blatantly political outbursts to be taken as expressions of intelligent leadership.

Vice President AGNEW recently pointed out with his usual perception that most of the President's critics who now express such outrage about America's bombing response were strangely silent when the North Vietnamese initiated their all-out military invasion.

When thousands of South Vietnamese civilians were driven from their homes in the northern provinces, when rocket and mortar rounds were exploding in cities of South Vietnam as the Communist military units pressed their invasion, no expressions of outrage were heard from these critics.

No fear was expressed at that time for the lives of the thousands of American servicemen who still remain in South Vietnam.

Only when the President made his required response did the cries of outrage begin.

Mr. President, I once again urge all responsible members of this country to place the blame for the current escalation of warfare in Southeast Asia squarely where it belongs: with Hanoi, where it has always been. On April 19 I joined in cosponsoring Senate Resolution 294, introduced by the Senator from Arizona, which would condemn the invasion of South Vietnam by North Vietnam and support the Government of the United States in its effort to provide an honorable peace in Vietnam.

This is a measure which all Senators, regardless of politics, can and should support. I understand that this resolution will be offered as an amendment to the pending State Department-U.S. Information Agency authorization bill which will soon be brought to the Senate floor. I wholeheartedly support this move by the Senator from Arizona and will vote for the acceptance of his amendment.

Mr. President, I have recently received a letter from a constituent who is stationed with the Air Force at Danang Airfield in Vietnam. In his letter, Sgt. Eugene F. Kathol of Omaha asks "that these thoughts be passed on to Members of the Congress and the people of the United States."

It is my great pleasure to honor Sergeant Kathol's request. His letter is intelligent, straightforward, and I am sure highly representative of the thinking that prevails among our servicemen in Vietnam.

Sergeant Kathol aptly states:

> People are dying every day by Russian built 122mm rockets which enter Vietnam through the Port of Haiphong. When you get roused nearly every night by the blast of rockets all around you, you tend to have a different feeling about destroying the rockets and supplies before they can be used against you.

The President has the obligation and responsibility to protect the lives of Americans abroad—he has that duty and obligation as to members of the armed services especially. Yet he is being bitterly and unfairly criticized for discharging that obligation and responsibility. It is inconceivable that such criticism has for its purpose the cessation of such protective measures. But without question that would be the effect of heeding such criticism and acting on it.

I ask unanimous consent that Sergeant Kathol's letter be printed in its entirety at this point in the RECORD.

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

April 18, 1972.

HON. SENATOR ROMAN HRUSKA,
U.S. Senate,
Washington, D.C.

SIR: I wish you would relay the thoughts of a fellow Nebraskan and many other American servicemen stationed in Vietnam to the Congress. In regard to the recent bombing of Hanoi and Haiphong Harbor, the President is doing what is needed to save the lives of the people of South Vietnam and the lives of the many American servicemen still stationed here.

People are dying every day by Russian built 122mm rockets which enter Vietnam through the Port of Haiphong. When you get roused nearly every night by the blast of rockets all around you, you tend to have a different feeling about destroying the rockets and supplies before they can be used against you.

Certain high ranking officials seem not to realize these things as they publicly denounce President Nixon's present winning policies. They merely add more fuel to the North Vietnamese propaganda fire and further delay our reuniting with our loved ones at home.

I would request that these thoughts be passed on to Members of the Congress and the people of the United States. Your continued concern would be appreciated.

Sincerely,

EUGENE F. KATHOL,
Sgt., U.S. Air Force.

VIETNAM—THE WAR THAT MUST END

Mr. RIBICOFF. Mr. President, what is there new to say about a war that will not end? Last night the President did not offer the American people any hope that the slaughter would stop or that our prisoners would be returned. All we heard were the same old arguments for continuing the war.

But do these arguments justify the continuation of a war that has cost over a million lives, created almost 7 million refugees, 23 million bomb craters, and has cost this Nation more than $100 billion? What logic still compels our Nation's leaders to the conclusion that dropping a few hundred thousand more tons of bombs will be more effective in defeating a tenacious enemy than the 6 million tons already unloaded on Indochina?

After more than a decade of search and destroy missions, body counts and pacification programs, it is time to acknowledge the truths that have emerged from this quagmire.

Whatever our original political objectives in Vietnam might have been, they are no longer valid. Nor are they worth the continuing moral, pyschological and economic costs to the United States. The world has changed rapidly in the past decade. And the American people recognize that the Vietnam war is a national disaster.

It is imperative that we get out now. The sooner we stop our losses and disengage militarily, the better it will be for this Nation and for the thousands who will die.

We must face up to the realities that a pro-American government in Saigon is impossible and that all of Vietnam, North and South, will most probably be united under a single flag. This may not happen for 2, or 5, or even 10 years. But

this is bound to come, whether another million Vietnamese will have to die—or not. If we should have learned anything from our deep involvement in Indochina, it is that all Vietnamese are united in their dislike of foreign interference—whether it be French, American, Russian or Chinese. By now we should recognize that Vietnamese nationalism is a force to be reckoned with—particularly when it is backed up by dedication, and a willingness to die.

I, too, would not like to see the United States lose a war. I, too, do not want it said that Americans have died in vain. But I must reject policies which compel this Nation to continue to maim and kill others and have its own sons maimed and killed in order to justify past blunders and to perpetuate outdated theories.

Our role in the Vietnam conflict directly contradicts what this Nation should stand for in the world. We are employing 20th century technology to punish a 19th century society for practicing 18th century nationalism. In doing so we are displaying a contempt for human values and human life.

What can we hope to accomplish by continuing this war?

Are we really fighting to give the people of South Vietnam the right to decide how they will be governed when dissent in South Vietnam is stifled?

Are we really creating better lives for the children of Vietnam by making so many of them orphans, cripples, and dope pushers?

Are we really protecting vital American strategic interests in Southeast Asia now that the President has been to China and is pushing detente with the Soviet Union?

Can the President have it both ways in seeking better relations with the Russians and the Chinese while blasting Hanoi and Haiphong? Can the champagne and vodka toasts flow in Peking and Moscow at the same time that blood is flowing in Quang Tri, in An Loc, and in Hanoi?

The President certainly deserves praise for his skill and flexibility in guiding our relations with the Soviet Union and mainland China. But his handling of North Vietnam and our exit from the war is another matter.

North Vietnam's capacity to endure what we consider unendurable bombing, and to accept what we describe as unacceptable casualties has compelled this Nation to repel the latest Communist onslaught by massive bombing. Given the rigid confines of the box the President had constructed for himself, he had little alternative to reacting this way. But in April of 1972, we no longer have a brand-new President thrashing about in quicksand inherited from others. The tragic mess we find ourselves in today could have been avoided during the past 3 years if the administration had not continued to seek the impossible—the retention of a pro-American regime in Saigon indefinitely.

The President does deserve praise for withdrawing so many of our troops. But he has done so on the mistaken assumption that the South Vietnamese could fill the gap. The massive air and sea operations we have had to mount in recent weeks show that Vietnamization is a failure.

The concept of Vietnamizing this war is not a new one. It is not a creation of the current administration, or even the one before it. We have been supplying, equipping, training, paying, supporting, leading and building the South Vietnamese Armed Forces for more than 10 years now. If they are not prepared to do the job yet, when will they be?

The question today is not whether the South Vietnamese people have the physical means to defend themselves—they obviously do—but whether they really want to. Of course there are a few South Vietnamese who still have a stake in the Thieu government. But after more than 25 years of misery and dying, most Vietnamese just want peace.

Vietnamization cannot bring the end of direct American involvement in the conflict and the return of our prisoners. Each day Vietnamization is being proven to be only a means of changing the color of the corpses from white to yellow.

We will not be able to get our prisoners back by dropping more bombs, by breaking off negotiations in Paris, or by calling our adversaries names. This is becoming obvious to more Americans, and most painfully to the families of our prisoners. It is high time that the cruel hoax of liberation of the POW's through bombing be ended.

If our adversaries agree to give us back our prisoners and permit the safe withdrawal of our men, we will not be doing that badly in the long run. What terrible things will happen to the United States if we leave Vietnam now?

We will still be the most powerful nation on earth. We will still have the highest standard of living. We will still have our nuclear deterrent and military alliances. The United States will be no pitiful giant. In fact, we will have the economic means to improve the lives of more Americans and the opportunity to restore the shattered morale of our Armed Forces. We will also have taken a giant stride toward preserving the moral and spiritual health of America. We will be giving America a chance to once again be a beacon for the rest of the world and a dynamic force for decency and peace. This will certainly not occur automatically. But with Vietnam behind us it will at least be a real possibility.

Vietnam has been a weighty albatross around our necks for too long. By casting it off, we will not be displaying weakness, but strength. We will not be forsaking a worthy ally, but we will be creating opportunities to move closer to more important allies. We will not be undercutting our commitments elsewhere, but reinvigorating them now that we will be in a better position to honor them.

In the past the Senate has sought to restrict U.S. military operations in Vietnam and to set a date for the cutoff of funds for the war. I have supported all of these efforts and have voted for them. The passage of time and the obvious bankruptcy of the administration's policies since then have only strengthened my resolve that this terrible war must end. That is why I am supporting current and proposed legislative efforts providing for the end of our massive bombing in Indochina, and the orderly withdrawal of U.S. military personnel from Indochina and the return of our prisoners. I hope the U.S. Senate will be able to provide the necessary leadership in this time of despair.

KITTERY-PORTSMOUTH NAVAL SHIPYARD

Mrs. SMITH. Mr. President, I have received a most gratifying and encouraging report from the Secretary of the Navy on the status and the future of the Kittery-Portsmouth Naval Shipyard. He reports that the current schedule being developed will provide a stable workload for the shipyard throughout fiscal year 1973 and should aid the shipyard commander in making management improvements.

To assist in future planned developments, a shipyard modernization study to determine the long-range facility and equipment requirements of the shipyard was started and is currently on schedule and should be completed in time to permit regular funding submissions of selected construction and industrial plant equipment projects in the fiscal year 1973 and fiscal year 1975 programs.

Repairs to the west wall of drydock No. 2 are about 75 percent completed. All 102 high tensile strength steel anchors have been installed and all 17 concrete reinforced panels have been poured. Completion is set for June.

During the past year engineering duty captains with previous submarine and shipyard experience have been assigned to all of the top military management jobs. 98 percent of the junior officer positions at the shipyard have been filled. This is significantly higher than the 82 percent manning in other Navy ship industrial facilities.

Development of a sense of "pride in the shipyard" program in the shipyard is being vigorously pursued. Performance standards have been developed for 46 percent of the production work in the shipyard which compares with a 30 percent coverage in June 1971.

I ask unanimous consent to place the Secretary's letter of 21 April 1972 in the RECORD.

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

THE SECRETARY OF THE NAVY,
Washington, D.C., April 21, 1972.

Hon. MARGARET CHASE SMITH,
U.S. Senate,
Washington, D.C.

DEAR SENATOR SMITH: Thank you for your letter of April 7th concerning an up-to-date report on the mission and capability of the Portsmouth Naval Shipyard.

Since the mission of the yard has changed from building new construction ships to repairing existing ships, many management improvements have been necessary. I believe we have made considerable progress.

During the past year we have assigned engineering duty captains with previous submarine and shipyard experience to all of the

top military management jobs. We have filled 98% of our junior officer positions in the Portsmouth yard which is considerably higher than the 82% manning in other Navy ship industrial activities.

The shipyard commander has adopted and is vigorously pursuing a program to develop a sense of "pride in the shipyard" in all hands. Performance standards have been developed for 46% of the production work in the yard which compares with a 30% coverage in June 1971.

Repairs to the west wall of drydock number 2 are about 75% completed. All 102 high tensile strength steel anchors have been installed and all 17 concrete reinforced panels have been poured. We expect to complete the job in June.

To assist in future planned developments, a shipyard modernization study to determine the long range facility and equipment requirements of the shipyard was started. This study effort is currently on schedule and should be completed in time to permit regular funding submissions of selected construction and industrial plant equipment projects in the Fiscal Year 1974 and Fiscal Year 1975 programs. A management interchange program for both civilian and military people has been initiated. This program will provide for exchange visits of key shipyard personnel with their counterparts in other naval shipyards engaged in similar work.

I feel we have made a great deal of progress in the management and operation of the Portsmouth Naval Shipyard during the past year. I am confident that the current schedule being developed will provide a stable workload for Portsmouth throughout Fiscal Year 1973, and should aid the shipyard commander in making further management improvements.

Very best personal wishes.

Sincerely yours,

JOHN H. CHAFEE.

USIA

Mr. BUCKLEY. Mr. President, the May 1 issue of U.S. News & World Report, and the New York Times for Tuesday, April 25, 1972, contain articles concerning the future of America's overseas information program. I consider them to be vitally important reading for Members of Congress, and ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. In U.S. News & World Report, an interview with USIA Director Frank Shakespeare underscores the importance of USIA's mission, which is to give significant support to the foreign policy of the United States through the media of radio, films, magazines, cultural and information centers, and libraries. In an age of a struggle of ideologies, Director Shakespeare reminds us, the need for an "important informational program throughout the world by the United States" is more than ever a necessity for the implementation of a successful foreign policy.

In the article from the New York Times, Mr. Tad Szulc reports that the mission described by Director Shakespeare will be endangered in some of its most important aspects if a proposed 25-percent cut on its budget becomes a reality. The impact of the proposed cuts will be particularly disastrous in its effect on the USIA's international broadcasting arm, the Voice of America, which has received all but universal acclaim for its blend of objective news reporting and clearly labeled commentary in 35 languages, including worldwide English.

Referring to proposed cuts in the USIA budget, the Washington Post, which is no friend of Mr. Shakespeare, has had this to say:

Especially distressing to us were the bites taken out of the Voice of America. Its newscasts, which American commercial media are in no position to duplicate—a point of legitimate concern to Mr. Fulbright—have retained their reputation for professionalism through the Shakespeare years. Such broadcasts express a central and continuing American interest in the open international flow of information and ideas. They would be reduced now to a weekly 454 hours, just behind Albania's 480, though to be sure, ahead of Portugal's 440. (The Russian figure is 1903)

There is one aspect of the proposed curtailment of certain Voice of America language services that must be stressed. Any budget cut that results in the loss of a particular Voice of America foreign-language program will not only eliminate that program—it will eliminate any chance of regaining the audience that will be lost once broadcasts are stopped. The audience that listens to one of the 34 Voice of America broadcasts in languages other than English is painstakingly built over a period of years. The years spent in convincing audiences that Voice of America broadcasts are credible and informative will be of no avail once a language service has been cut. International broadcasting is a highly competitive area of communication, and to stop a language service even for a short while will result in what most experts in the field are convinced is an irrevocable loss of a carefully cultivated audience.

To have a truly effective foreign policy the United States must make clear to millions of men and women all over the world precisely what that policy is. In those countries where freedom of information is respected and practiced. USIA can help to clarify difficult points and to correct misinformation; in countries where government control over media makes it all but impossible to gain access to other than officially controlled information, USIA can—and does—serve to inform those who are uninformed. The need in either case is for the documentation of facts, for the kind of objective news that Voice of America listeners have been relying on for 30 years, and for the kind of commentary, clearly labeled as such, with which the Voice of America has sought to place the facts into the proper perspective. Equally important, in telling America's story to the world, USIA serves to focus attention on the facts of American life, the realities that are often hidden by distortions by forces hostile to our Nation.

The argument that USIA is an outmoded relic of the cold war, as some have put it, neglects to make the necessary intellectual distinction between the organization's origins and its principles. Certainly USIA was created near the start of that historical period we refer to as the cold war. But the purposes underlying USIA's mission transcend the cold war—assuming for the sake of argument that cold war is over, a proposition recent events would seem to have made dubious—and go to the heart of the matter concerning international relations today. As Director Frank Shakespeare has pointed out on many occasions, the world is in the midst of a communications revolution, a revolution of transistor radios and television satellites, of high-speed presses and jet planes. Whether we like it or not the United States is part of that communications revolution and we simply cannot turn our back on our official Government responsibility to set the record straight where necessary and make convincing arguments where possible in the war of ideas.

If it is said that USIA, in providing the facts that point out the abuses inherent within communism, is acting against President Nixon's policy of detente, it is necessary to point out that President Nixon, for one, does not think so. Indeed, the President's recent words directed toward Moscow concerning their arming of the North Vietnamese invaders seems to suggest that he more than anyone recognizes the needs for clear, forceful, succinct policy presentations in a world where confusion over basic principles can often lead to chaos.

To force the Voice of America to absorb the cuts mentioned in the New York Times article written by Tad Szulc will be more than a disaster in the field of communications. It will be a disaster in the field of human relations because the Voice of America is more than a radio station to those who have no access to information other than that which a totalitarian regime allows: it is a voice of humanity, telling of the wide and diverse and rich field of human ideas from which totalitarianism cuts off its victims.

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

WHO'S WINNING THE PROPAGANDA WAR?

Here is a warning for Americans. It comes from the head of an agency that is the voice of America to hundreds of millions of people abroad. He sees this nation locked—and maybe losing—in a vital struggle for men's minds.

Mr. Shakespeare came to the conference room of U.S. News & World Report for this exclusive interview with members of the staff:

Q. Mr. Shakespeare, just what is the job of the U.S. Information Agency?

A. Its purpose, fixed by law, is to support the foreign policy of the United States. We do that through the process of: one, making clear to the world what that policy is; two, seeking support for that policy where we can gain support; and three, minimizing opposition where it is not possible to gain support. It is also a purpose of USIA to assess international attitudes as they appear relevant to U.S. foreign policy for consideration by the President and the Secretary of State in their formation of that policy.

Q. How do you do all this?

A. We make worldwide radio broadcasts, through the Voice of America, in 35 different languages. We produce television and motion pictures. We have libraries in many countries which contain books, magazines and exhibits. We have press and cultural offices throughout the world.

Q. Can you tell us in more detail how the USIA operates—its radio broadcasts, for instance?

A. The Voice of America operates it own transmitters in key locations around the

world. The programs originate here in the U.S., but the transmitters pick up the programs and relay them into every area—such as Eastern Europe, the Soviet Union, China, Southeast Asia, Africa and Latin America.

Q. Do you have any idea how many hear your broadcasts?

A. No estimate—but it would be in the hundreds of millions.

Q. What sorts of programs do you broadcast?

A. There are three types: news, commentary and music—or, if you will, entertainment. News constitutes roughly 55 per cent of our programing.

Q. What is the nature of your commentary?

A. We quote expressions of American opinion. Those typically would be editorials from leading newspapers or television networks. What we are trying to do is show the general attitude on various issues.

We also do commentary of our own, which is so labeled. And in addition to editorial comment, we frequently give background information, so a news event can be understood by foreigners not familiar with the United States.

Q. All this is for audiences abroad?

A. Yes.

Q. Are these same programs available inside the U.S.?

A. When the U.S. Information Agency was founded under President Eisenhower in the early 1950s, Congress was very concerned that some American President might build up a propaganda organization that he could, in effect, turn on his own people and use to his own political advantage.

In USIA we have a lot of people who are very skilled in the communications art. The temptation for some President to use that skill to seek support for his programs among his own citizens could be very strong. So Congress said the Information Agency could not be used at all in any way that might involve it politically in anything inside the U.S.

That has advantages—and disadvantages. The advantage is obvious. It protects the country from the misuse of an organization of this sort.

The disadvantage is that it creates a certain mystery about what we do, and makes it difficult for the American people to learn what their country is doing abroad. Therefore, it's hard for them to make an informed judgment whether to support it or oppose it.

Q. Hasn't USIA been permitted to show some of its work inside the U.S.?

A. The law is a little bit imprecise. It quite clearly says, however, that we can't show anything to the American people which involves a political figure or issue.

Thus, when a film was made by USIA in 1963 on the life of President Kennedy—called "Years of Lightning, Day of Drums"—the film was shown overseas but not here. True, Mr. Kennedy was dead by that time. But there was still the Kennedy family and the Democratic Party, so political considerations were still involved. But this film stirred an enormous reaction overseas. American tourists would come back and say, "Hey, you ought to see this terrific film." So Congress passed a one-time exception to permit the showing of this Kennedy film in the U.S. under certain conditions.

We have also been permitted to make available here on an educational basis some of our products that don't relate directly to domestic politics. We recently made an arrangement with a nonprofit, governmental organization called the National Audio Visual Institute, under which that Institute can take films which are not political and make them available for educational use within the U.S.

IF CURBS ON USIA WERE RELAXED

Q. Do you think the law should be changed so the American people can see more of what USIA does?

A. From my own point of view, I think that some way should be devised for the people of the United States to have more-ready access to USIA materials, provided there are restrictions that would prevent the material from being misused. It's madness, for example, for us to make a film which wins an Academy Award and which is shown all over the world and the only people who can't see it are the Americans who paid for it.

Q. What films have you made that you think it would be good for Americans to see?

A. Oh, many films. In the last three years we have had three films nominated for Academy Awards. One was a film on the Soviet invasion of Czechoslovakia in 1968. Another was a film on the life of John Steinbeck. And the third was a film called "The Numbers Start at the River," which is a picture of small-town America.

I frankly think there would be much more public support for doing the types of things that need to be done—and that we're trying to do—if people knew more about what we are doing.

Q. How large is the USIA, in terms of people?

A. We have approximately 9,700 people, but that can be a misleading figure because roughly 5,000 of those people are foreign employes who work in our libraries and that sort of thing abroad. We have fewer than 4,500 American employes of whom 1,300 serve overseas and 3,200 serve in the United States.

Q. How much do you spend each year, approximately?

A. Two hundred million dollars.

Q. Does the U.S. need to spend that much for what can be called propaganda?

A. We need it if we're to continue the functions that we now have.

Spending by the U.S. Information Agency today is within 4 per cent—in terms of constant dollars—of the annual appropriation it had the year it was formed, in 1953. Although our budget has gone up from 85 million dollars in our first year to roughly 200 million dollars now, in terms of actual purchasing power our budget is the same or even smaller.

Q. When the USIA was formed in 1953, the cold war between the U.S. and the Communist world was at its very height. Has the need for the USIA lessened in recent years?

A. If I catch the implication of your question correctly, you imply that the cold war has ended. That, of course, gets into the definition of what the cold war is.

If the definition of the cold war is a struggle of ideologies—a war carried on by means other than military conflict—then the cold war evidently still exists, in terms of a struggle for men's minds.

The question of what we should spend on USIA involves the question of whether we have come to understandings between the major powers of the world which obviate the need for an informational, propaganda effort by the U.S. of the type that we're making.

In my judgment, we obviously have not arrived at such a position. I think it is still necessary—perhaps even more necessary than ever—to continue an important informational effort throughout the world by the United States. If that is to be our national policy, then it requires funds to do it. Whether the funds should be 200 million or not—that is a relative detail.

Q. How successful has the USIA been in its effort to get its story across to people in other countries?

A. I don't know whether I can give you a categorical answer because, in assessing our effectiveness through the years, you would have to assess it on an area-by-area or a country-by-country basis. There obviously have been some cases where we have done well, and some cases where we have not. But you're asking me a general question, so I'll answer it in a broad way:

I think that the Soviet Union has been much more successful than the West, generally, in propagating its point of view and in getting support for it. And I think this is especially remarkable when you consider the substance of what the Communists have to offer and the substance of life in the Soviet Union, as contrasted with the substance of our life and what we have to offer. So I feel that we in the West have done a very inadequate job of presenting the issues in a way in which people can judge them with perception.

Q. How can you measure the relative success or failure of a propaganda program?

A. You can't measure it precisely, because you're talking about changes in the human mind, and you can't put a caliper on that.

In the last decade, there has been an increasing questioning in much of the Western world about our root premises, about the philosophy that we stand for, about our traditions and about the rightness of our approach to human freedom, to the organization of society. In part, that's because we're in a constant stage of evolution, and Americans are a questioning people.

The other side—led essentially by the Soviet Union—adopts a very simplistic, iterative, hard-line, nondeviating approach in saying that its system is the best and that it is the wave of the future, the way the world is going. The other side tells nothing about itself which is bad. The outside world rarely hears about the bad except when it involves an external action of a major sort, such as the Soviet invasion of Czechoslovakia in 1968. It is very, very difficult to get a continuing flow of news stories out of the Soviet Union because of the restrictive nature of their society.

In the West, on the other hand, there is a constant flow of news—both bad and good. We have been in ferment, and many of the problems we are wrestling with are widely reported abroad—often in a disturbing way. So what gets through to many parts of the world is a picture of turmoil and uncertainty in the West, as against an appearance of a sort of solidity within the Communist regimes. This impression of Communist solidity is, in fact, just a cover—but it's what they present to the world.

Now, in that context, I think ideas are formed in the minds of many people that are not in accord with reality. And to the extent that that's true, the Soviet Union has done a better job in the promulgation of its concepts than the West has done.

Q. Under the free American system, is it possible for this country to do a better propaganda job than the Soviets?

A. No, I suppose not.

Now, you have used the world "propaganda," and I have been content to go along with that because in the dictionary sense of spreading information, it's correct. But what we really do in USIA is try to reflect in a panoramic form the sort of life that is lived in the United States.

I think we have not really got down to the fundamentals. We don't concentrate nearly enough on the root, philosophical differences between ourselves—our system—and the alternate choices offered people. We have avoided this out of a certain diplomatic politeness—out of our policy of not interfering in the internal affairs of other countries.

Under the restrictions we impose on ourselves, we never make clear to other people our perception of what are the real choices they face. We in USIA are much more of a

reporting agency than an analytical agency. The West generally is that way.

But I do think it would be possible for the West to be much more effective than it is in the propaganda war.

Q. What is the biggest problem you face?

A. Our biggest problem is the lack of a realization in this country that we are involved in psycho-political war—a struggle for ideas. If you weren't in a war of ideas, then you wouldn't need an information agency. But as long as you face strong, aggressive powers that are imperialist by nature—and the Soviet Union is imperialist by nature—then you must have an information agency.

Q. What do you think should be done to improve your effectiveness in this propaganda war?

A. Our basic problem is that we—the United States—have never really decided what our end posture should be in countries such as the Soviet Union and China. We don't have a clear, specific propaganda objective. Until we have that, we can't address ourselves to the problem directly.

So I think that would probably be the central point: We have to decide what, as a people, our objective is as regards influencing minds about the Soviet Union.

Q. Is this a question of national policy?

A. I think it's a whole mix of questions, but that's one of the key considerations.

Q. How is USIA policy set now?

A. Policy, in terms of foreign policy, is set by the President and the State Department. The USIA itself is not a policy-setting agency. It's a policy-implementing agency.

Q. Who decides what policies you implement?

A. There are three or four levels of decision. The top decisions are made at the highest levels, and are passed to us either by the National Security Council or by senior officials in the State Department.

Once a decision is made, then the implementation of that decision is entirely the job of the USIA. In other words, we do the orchestration. But even when we orchestrate on a worldwide basis, the U.S. public-affairs officer in a particular country also has a certain degree of latitude as to the extent to which he emphasizes certain things in his particular country.

Q. Do you agree with this system?

A. I think USIA as an institution is not properly structured within the Government if we are to have a really serious information and propaganda effort.

Let me tell you what I think is needed, and then talk about how it would have to be done structurally:

In an information program, doing a good job does not consist of just brilliant master strokes. There may be brilliant master strokes from time to time if you are lucky and have very good people. But that's not the name of the game.

What is required is a constant, steady effort, because you're dealing with human minds—and that takes time. You have to have clear objectives—know exactly what the nuances are, what are the ultimate objectives—and you have to know exactly the interplay of considerations and forces to accomplish them.

Now, all this means that the head of the Information Agency—and I impersonalize this; I'm talking about structure rather than personalities—the head of the Agency must be involved in those planning sessions and those conferences and those decision meetings in order to know exactly what it is we're trying to achieve. This type of thing cannot be done in a vacuum.

You know, in the United States and in our Government—and this has nothing to do with political parties or Administrations—the word "propaganda" is a scare word. It's related to the work of the Nazi Propaganda Minister, Joseph Goebbels. It's regarded as the big-lie technique, brainwashing. It has the connotation, in effect, of being unclean.

Now, that's absurd. What you're really talking about are the fundamentals of what our country believes, what the West believes in, what we stand for—the root of the whole Judaic-Christian philosophy, the Declaration of Independence.

This whole cold war that is going on in the world is essentially a clash of ideas. If we are not prepared to at least portray and advocate the ideas we believe in, we won't survive.

Certainly the other side is very, very clear about what it wants, about its ultimate objectives. It's very clear that they are seeking to convert men's minds. They do it with ideas when they can. They do it with guns when they can. But they do it.

We, on our side, sort of wish that the whole concept of propaganda and cold war would go away. But it isn't going to go away. Yet we do our propaganda work sort of piecemeal, without careful planning, without even knowing precisely what it is we are trying to bring about. We deal in generalities. We "support the foreign policy of the United States." Sure, everybody here is for the success of the foreign policy of the United States. But the question is: What, specifically, do we want our propaganda to achieve?

So I think that if we are ever to have an effective propaganda operation within the U.S. Government, we must put the director of that operation right into the scheme of things and use the organization as a very finely orchestrated mechanism to achieve our goals. This is not being done in our country, and I think it should be done.

Q. How does Russia or China do this job?

A. In the Soviet Union, everything is totally controlled. The newspapers, the press agencies are Government implements. So is Radio Moscow. All are tightly controlled.

You've noticed that when something happens of a sensitive nature, the Russians won't put out a news story about it for two or three days. Why? Because the guys at the top haven't yet approved the story line—haven't decided exactly what to tell.

Now, we're never going to have any system like that in the United States—and we never should. But the men who understand propaganda warfare more than anyone else are those on the other side—the totalitarians. They deal in it. The Nazis were master propagandists. The Communists are frequently master propagandists. They deal in propaganda as a commodity, and they know its value.

Let me give you an example of how they operate:

During the President's China visit, there was an occasion when a young girl walked into a meeting with something for Premier Chou En-lai that looked like a front-page layout. One of the Americans present asked, "What is she doing here?" And he was told: "She's got the layout for tomorrow's newspaper, and the Premier has got to go over the layout of the stories and pictures."

The point is that in Communist countries anything they publish has only one purpose: to advance their aims. Truth is irrelevant. The concern is: Will this help foreign policy?

Propaganda is part of their foreign policy. And that's the reason it's so effective.

MAKING THE MOST OF U.S. KNOW-HOW

Q. Is there any way American propaganda can be made effective without copying the Communist system?

A. Sure. The whole communications revolution was created by the United States. The technology which is the essence of the communications revolution was created in this country. In the use of that technology for the dissemination of ideas and information and entertainment, we were the world's leaders. We dominated motion pictures and television for years. We still do. "Madison Avenue" has become a world-wide cliché for referring to the technique of marketing, and that's the dissemination of ideas.

But when it comes to using this technology or these techniques for disseminating ideas outside our own country—to act in opposition to those who would thrust their ideas down our throats—we don't do that very well. And I think it's basically a matter of will and of planning.

Q. To do the kind of job you think should be done, would you need a greatly expanded USIA, with a lot more people and a lot more money?

A. No. It isn't a question so much of money. It's a question of emphasis and clarity.

Q. If you had a free hand, what would you do?

A. Well, let's take the question of the Soviet Union and talk in terms of specifics.

You have the Soviet Union embarked on a build-up of conventional and nuclear weaponry. They've got their military accelerator down to the floor. They've become a power of awesome military potential. Senator Margaret Chase Smith [Republican, of Maine, a member of the Senate Armed Services Committee] has recently warned that if the present trends continue the United States will soon find itself in a position of military inferiority.

Now, one does not postulate that when the Russians get military superiority they will jump us in a direct attack. But they will have much greater freedom for aggressive acts. They can move into areas to their south—around the Persian Gulf, Iraq, Turkey—with considerably more freedom from fear of the United States than they could in the past.

They might gain control of some of these strategic areas by subversion and merely say to us: "Come and get us out if you don't like it." They said it to us in Cuba, and we made them get the missiles out because we were infinitely stronger.

Professors Brzezinski at Columbia and Pipes at Harvard—two of the most knowledgeable and dispassionate observers—are extremely concerned about what might happen to Russian attitudes when they finally get to the point where they can confront us with a Cuba in reverse.

When you have an inherently aggressive ideological society run by limited men, that presents a very dangerous situation for the things that I believe in, and I think we're heading into a very perilous decade for which the American people are not prepared.

Q. Just how does propaganda relate to all this?

A. There is a great deal of discontent within the Soviet Union. It is caused by two factors. One is the dissent of people who want human freedom: civil rights, freedom of religion, freedom to write and publish what they think. That's an intellectual dissent.

The second type of dissent is purely nationalistic, people of other nationalities who don't want to be ruled by the Russians—who, after all, are a minority in the Soviet Union.

So you've got two types of ferment inside the Soviet Union. If in the imperialistic Soviet society there are these broad currents of dissent, then it is clearly to the interest of the West, in my judgment, to relate to those dissents so that they will cause caution on the part of the Soviet regime.

These internal dissents are a great blessing to us. There isn't one of Russia's Eastern European satellites that would stay loyal to Russia if it could get out from under. These are matters that we ought to be addressing ourselves to.

It's essential that we broadcast to the discontented people inside the Soviet Union. Why? One reason is because the dissent of the leading intellectuals is never made known to the people of the Soviet Union except

by Western radio. If we don't broadcast such information, it doesn't get in. The Soviet people are not told about [Nobel Prize winner] Solzhenitsyn's dissent, of the Sakharov letter [a letter by nuclear scientist Andrei Sakharov asking freedom for Russians to leave the country at will] or about the fact that 17,000 Catholics in Lithuania signed a protest against the Government.

We must make these discontented people inside the Soviet Union aware that they are not alone, but that there are millions of people who feel the same way they do.

You can do this in a very objective way. You can simply read the novels of Solzhenitsyn, as Radio Liberty does. Or you can report the facts on the Soviet repression of the Nobel Prize to a Soviet citizen—as the Voice of America does. Or you can report the fact that sugar is being rationed in Cuba.

Our policy of not involving ourselves in what is defined as "internal affairs" of the Soviet Union leaves me very uncomfortable.

The Russians have no such qualms. They are very methodical about commenting on the internal affairs of the United States and portraying it as a country torn by racial, regional, political and economic problems.

Now, publicly, it's very difficult to say these things. But look: What we're doing is running libraries and having exhibits, sending paintings around the world. This isn't enough. If any business tried to sell a product—any product—the way we're trying to sell our ideas, then you ought to sell that business short.

NO LONGER "A MARGIN FOR ERROR"

Q. Do you think this country is ready for the kind of effort that you're suggesting?

A. In today's climate, and with the trauma that the Vietnam war has put the American people in, and with its tragic impact on youth, I think it's very questionable whether we can measure up to the type of effort that we're going to need in the years ahead to withstand the pressures that we're going to be up against.

Once we had the big muscle. We had a margin for error, and we could make all kinds of mistakes and still survive. But with Russia's enormous and growing power, we don't have a margin for error any more.

Q. What is your answer to this situation?

A. One answer is: We've got to stay strong. But the other answer is we've got to recognize the nature of the enemy, that we are in a psycho-political war—and we'd better shape up.

USIA SAYS PROGRAMS FACE BIG CUTS

(By Tad Szulc)

WASHINGTON, April 24.—The United States Information Agency warned today that the proposed 25 per cent cut in its budget would halt all the Voice of America broadcasting to Eastern Europe and Africa and also seriously curtail many other propaganda and research activities.

The agency also said that 2,360 officials of the agency, about 1,000 of them Americans, out of the present total of nearly 10,000, would be dismissed if Congress endorsed the action taken last Monday by the Senate Foreign Relations Committee. The committee slashed the agency's budget for the fiscal year 1973, starting on July 1, from $200-million to $154.4-million.

A long internal memorandum from Charles D. Ablard, the Information Agency's general counsel, to the heads of all the departments of the agency summarized the projected impact of the reduction on the current programs, and told them that "this paper may be given general distribution to your contacts."

Agency officials said that Mr. Ablard, whose office also handles liaison between Congress and the agency, expected the department heads to circulate the information to their friends and associates in Washington and elsewhere so that key Senators and Representatives could be advised how the effectiveness of the propaganda programs would be lessened.

NO QUALITATIVE CONCLUSIONS

The memorandum itself does not, however, directly urge the recipients to seek to influence the members of Congress in any way, nor does it offer qualitative conclusions concerning the effect of shrunken United States informational programs.

A more direct approach was used by the union representing the agency's American employes here and abroad in letters dispatched to every Senator. The letters pleaded for rejection by the full Senate of the cuts recommended by the committee, which is headed by Senator J. W. Fulbright, Democrat of Arkansas.

Bernard Wiesman, president of Local 1812 of the American Federation of Government Employees, at the United States Information Agency, said in the letters:

"We are convinced that such a gagging of the Voice of America, such a smothering of our press and publications, such a blackout of our motion pictures and TV services, and such a near-elimination of United States information centers overseas would terribly undermine American influence among all segments abroad."

The Senate Foreign Relations Committee's decision to cut the agency's budget resulted from its dispute with the Nixon Administration over the Administration's invocation of "executive privilege" to deny the Senators access to the agency's "country program memoranda" covering plans for years beyond 1973.

The committee disclosed last Thursday that President Nixon invoked the executive privilege in a memorandum received on March 15, arguing that "country program" papers did not reflect actual Administration policy "but only proposals that are under consideration." Disclosure of the proposals to Congress would "not be in the public interest," the Administration memorandum said.

The agency's budget is expected to be considered by the full Senate next week, and its officials privately fear that the Fulbright committee's stand will be confirmed unless a major change in mood takes place.

They hope for relief when the House of Representatives considers the legislation later in the spring and, presumably, attempts to work out a compromise with Senate conferees.

Meanwhile, Information Agency planners said that unless the cuts were restored, the Voice of America would have to reduce its broadcasts from 780 hours weekly in 35 languages to 454 hours in 11 languages. Seven of the 15 relay stations abroad would be shut.

SHARP CUT IN VOICE BUDGET

The Voice would be hardest hit because under the legislation written by the Senate Committee, its budget would be reduced about 30 per cent—from $46.4-million to $37.5-million—without flexibility for Frank C. Shakespeare, the agency director, to shift funds from other programs.

Under the priority list worked out by the agency, the 24 languages to be eliminated from Voice of America broadcasting would include five Slavic ones, but not the Russian. Also to be eliminated would be Albanian, Estonian, Hungarian, Latvian, Lithuanian, and Rumanian.

The agency's memorandum said that the budgets cuts would force the halving of its television and motion picture programs and the elimination of all television satellite transmissions.

JIMMY BARROW

Mr. THURMOND. Mr. President, I wish to pay tribute to Jimmy Barrow, whose recent death is a great loss to the city of North Augusta, S.C.

A native of North Augusta, Jimmy Barrow devoted his entire adult life to development of the city's youth, coaching baseball and football teams in the city for some 14 years. His quiet, diligent, and unselfish efforts in behalf of the boys he coached earned him wide recognition in his community. He performed an invaluable service in instilling the qualities of good sportsmanship, discipline, and good manners in many boys which will leave his mark on his community for many years to come.

Mr. President, I ask unanimous consent that an article published in Mr. Barrow's hometown newspaper, the North Augusta Star, on April 13, 1972, be printed in the RECORD.

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

JIMMY BARROW

North Augusta recently suffered the loss of one of its most active sons in the passing of Jimmy Barrow.

Jimmy was not one to make the headlines or stand in the forefront of any movement that would net him personal recognition or gain.

Rather, he was one who *did* instead of *said*. And his doing crossed many years.

His main enjoyment and concern was evidenced toward the youth of the community, witnesses some fourteen years of coaching baseball and football teams in the city.

His diligence in these endeavors was such that it prompted one of his fellow coaches to say of him, "Always have the teams under his leadership exhibited good sportsmanship and excellent traits becoming to the type athletes we strive to produce in these programs. His teams were true examples of well coached, well disciplined and well mannered groups of young boys. They serve as a living example of his efforts."

A native North Augustan, Jimmy had lived here all his life.

We are certain that for years to come, many growing boys and grown men will carry with them the marks of good sportsmanship, discipline and good manners that they learned from their coach, Jimmy Barrow.

They will prove once again that the good men do live on long after the doer has departed.

THE REPUBLIC OF TANZANIA

Mr. McGEE. Mr. President, 8 years ago yesterday a historic event took place in East Africa when the island of Zanzibar and Pemba joined with Tanganyika to form the Republic of Tanzania.

During the ensuing period, the union has prospered under the leadership of "Mwalimu" Julius K. Nyerere, President of Tanzania. The close cooperation created by the union between mainland Tanganyika and the islands of Zanzibar and Pemba has not only benefited the parties directly involved, but has contributed to a stronger East African community. This is an achievement which is enviable not just in Africa, but throughout the world as well.

On this, the eighth anniversary of the union, I extend my warm congratulations in which I am certain my colleagues would wish to join me, to President Julius Nyerere, First Vice President Aboud Jumbe, Prime Minister and Second Vice President Rashidi Kawawa, and the people of Tanzania. I wish the United

Republic of Tanzania continued success in the years to come.

CITIZEN EXCHANGE CORPS

Mr. JAVITS. Mr. President, I have long been among those Government officials who have supported private, nongovernmental efforts to initiate meaningful cultural exchanges and contacts between the United States and the various Communist countries. I bring now to the attention of my colleagues the latest activity of the Citizen Exchange Corps, which is the country's largest nonpolitical, noncommercial exchange program involving Americans from all walks of life. Its program is developed by American professors and interpreters who work in cooperation with similar individuals in the counterpart Communist host country to arrange lectures, discussions and visits to homes, schools, and institutions of higher learning.

The Citizen Exchange Corps is now attempting to establish just such a cultural and educational exchange program with the People's Republic of China. With the President's trip to the Chinese mainland completed and with the Senate minority and majority leaders there now, it is only fitting to make note of the necessity and, indeed, the wisdom of promoting these private exchanges among the citizens of the United States and the People's Republic of China.

In 1962, the CEC started its first—and then seemingly utopian—effort to establish direct lines of communication with an exchange program between the United States and the Soviet Union. The CEC was in its infancy then, and a program of this magnitude seemed, at the very least, improbable. However, through the guidance and persistence of its president and founder, Stephen James, the plan succeeded and flourished. CEC can now boast that it has sent over 1,600 "citizen-diplomats" to the U.S.S.R.

In 1968, the CEC established a "China Corps" with the intention of working out a similar program with the People's Republic of China. By today, over 500 U.S. citiens have enrolled in the "China Corps," and I look forward to the fulfillment of this exchange program as another step in the normalization of United States-China relations.

Cultural exchanges transcend even the most opposing and divergent political ideologies. The CEC's efforts to establish channels of communication between the people of China and the United States promote closer understanding through exchange visits. It may prove to be one of the best ways to vault the ideological and political Great Wall of China, because the CEC eschews ideological and political identification and stands on humanitarian person to person grounds.

U.S. ROLE IN THE FUTURE OF VIETNAMESE CHILDREN

Mr. WILLIAMS. Mr. President, I wish to express my deep appreciation to the chairman of the Committee on Foreign Relations (Mr. FULBRIGHT) for reserving time from his busy schedule, which involved extensive floor action on the war powers bill, so that a day of hearings could be held April 5, 1972, on S. 2497, Senators HAROLD HUGHES and MARK HATFIELD and I introduced this legislation to create a Vietnam Child Care Agency responsible for providing care and protection to the hundreds of thousands of Vietnamese orphaned or otherwise disadvantaged by the war in Vietnam.

Last summer, when we first started working on this legislation, we were hoping that the war would continue to diminish in effect. Regrettably, as the President escalates his efforts toward a military solution in Vietnam, the numbers of casualties and severely disadvantaged mount.

This is a particularly important time to study the problems of children in Vietnam as those problems are being compounded daily as a result of the intense battles being waged across Vietnam. In the midst of this destruction are American planes, ships, and helicopters adding to the numbers of refugees, orphaned and disabled children. We introduced this bill in the hope that the United States would participate in a constructive program of social benefit which would actually be ongoing after the military efforts had been terminated.

I want to take this opportunity to clarify a couple of points of confusion about the bill. S. 2497 would establish the Vietnam Child Care Agency as a new governmental agency. I appreciate that the concept of creating new agencies is anathema to many of my colleagues. However, in the particular situation of children's problems in Vietnam, I cannot foresee any viable alternative to an organization committed to participating in the solution of these problems.

The agency would not serve in an operational role. It would be charged with evaluating, coordinating, approving, funding and overseeing programs related to child care developed by the Vietnamese Government's Ministry of Social Welfare and nonprofit relief organizations working in Vietnam. At this time, the Ministry of Social Welfare has developed a program quite similar to the one proposed a program quite similar to the one proposed in our bill and nearly 60 private agencies are already working in Vietnam.

A strong commitment of the U.S. Government would certainly augment these sorely needed programs and enhance benefits to Vietnamese children, and yet there is no indication that such an ongoing commitment will be made.

I have frequently heard the argument that the Agency for International Development could handle a child care program and therefore a new agency is redundant. Clearly, AID's experience to date counters this argument. During all the years AID has been in Vietnam, it has not been able to assign more than a couple of workers on a part-time basis to the problems of children. In addition, the AID authorized staff level is being decreased by 15 to 20 percent per year.

On April 1, the AID mission in Vietnam approved a transfer of approximately $770,000 in counterpart funds to the Vietnamese treasury for initial implementation of the child care program I have already mentioned. This is a fine step. However, the transfer expires at the end of this calendar year; in other words there is no guarantee that the United States will continue to demonstrate responsibility and concern for these vast problems beyond December 31, 1972.

A second important point is that the Vietnamese Government has had problems of corruption and we do not think it is prudent to transfer or extend money to the government without being able to supervise the expenditure and terminate the funding if corruption was found to be a problem. Clearly because of its manpower shortage, AID is unable to oversee the Ministry's programs which have been approved and will receive funding, whereas a primary function of the Vietnam Child Care Agency would be to oversee such programs.

I shall include after my remarks a statement prepared for the hearing record on S. 2497 by Dr. James R. Dumpson, dean of the School of Social Service at Fordham University. Dr. Dumpson has been to Vietnam twice in an official capacity to study the problem of social welfare. In 1967 he was chairman of a social welfare task force, which involved study of the AID's various programs in Vietnam. He returned again in 1970 to update his earlier study.

His discussion of AID's lack of commitment and capability is very pertinent at this point. He discusses personal observations of the problems AID is facing and has been unable to overcome and the commitment which must be made if a program truly beneficial to the Vietnamese and their children is to be developed.

Another problem which must be further clarified concerns the intercountry adoption of Vietnamese orphans. A friend of mine, Mrs. Nancy Krivit, of Edison, N.J., has written a moving statement for the hearing record which describes the problems faced in adoptions. I think her personal experiences and those of her friends indicates the need for some official action to be taken in this area.

As an official organization responsible for coordinating, funding, and overseeing programs directed at relieving the problems of Vietnamese children, the agency should be in an excellent position to negotiate with the Vietnamese Government and ease the restrictions which presently are confounding the adoption process.

I hasten to add that we see adoption as an important supplement to the major programs directed at stimulating and strengthening Vietnamese family life so that children are kept at home in good health. On no grounds do we endorse a large-scale removal of children from Vietnam. These adoptions would continue to occur on a strict case-by-case basis which almost assures the success of the adoption.

I have heard the point made that the United Nations or other multinational organizations should be doing this sort of relief activity in Vietnam. At this time,

I can think of no multilateral organization including UNICEF, which is willing to enter Vietnam and work to resolve the massive problems of many of the 8,000,000 children while American bombers and naval vessels are destroying villages and fields, while American helicopters and artillery are providing close support to Vietnamese soldiers, or while 80,000 American soldiers continue to pursue a military solution in Vietnam.

I can say unequivocally that the problems of 700,000 orphans or half-orphans are not lessening as the Americans leave, that the tribulations of hundreds of thousands of wounded and disabled children are not easing as more and more Americans tend to disregard the tragedy which Americans have participated in and conducted for so long.

As a nation, we must be prepared to meet with resolve these great problems which we have contributed to and I say that we should commit ourselves to solving those problems soon with the sincere intention of saving and nourishing lives rather than destroying and wasting them.

I ask unanimous consent to have printed in the RECORD the testimony of Dr. James R. Dumpson and the testimony of Mrs. Nancy Krivit.

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

STATEMENT OF JAMES R. DUMPSON

Mr. Chairman and members of the Committee on Foreign Relations Committees, I regret that my absence from the country makes it impossible for me to accept the invitation to appear personally before the Committee to testify concerning Senate Bill 2497. I welcome the opportunity, however, to submit this written statement. The observations I submit to you grow out of my long professional background in the field of social welfare, particularly in child welfare. Preceding my seven year tenure as Commissioner of Welfare for the City of New York, I was the Director of the City's Bureau of Child Welfare. More intimately, they reflect insights I gained on two assignments to South Vietnam. In June 1967, I accepted the Chairmanship of a Social Welfare Task Force to South Vietnam, authorized by the Agency for International Development of our government. That Task Force submitted its report to USAID in Washington and USAID in Vietnam in August, 1967.

In November, 1970, I returned to South Vietnam at the request of the Unitarian Universalist Service Committee to evaluate that agency's program in Saigon and to recommend the specific steps and actions that would be required following the withdrawal of that agency's operation of the program. The objectives and programs outlined in S. 2497 are of particular interest to me and I welcome the opportunity to comment on them. Let me state at the outset that I urge the Committee to approve the Bill and subsequently, vigorously to support it on the floor of the Senate. I would certainly prefer to see all assistance channeled through the ministry of social welfare and other appropriate ministries of the Vietnamese government rather than set up an American agency in Vietnam to operate services. I question whether the capability exists at this point to achieve immediately the objectives of the Bill. The intent might well be expressed that when that capability is assured, the program should be so transferred. But children so sorely in need cannot wait for this development. Commitment to the goal and planning to achieve can proceed while the proposed agency moves into operation.

The Bill is most significant in its statement of intent which affirms that: "the United States has a moral responsibility to assist the Government of South Vietnam in the care and protection of all South Vietnamese children, particularly those orphaned or abandoned." It is urgently important, not only for humanitarian reasons but in the interest of future peace particularly in Indo-China, that the United States provide the leadership with the Government of South Vietnam and the financial resources for the development in that country of a rationally planned, practically implemented program of social development, that involve the people of the country. In no other way can there be a maximation of the human return on the human investment and sacrifice that has been made through the war, hopefully in the interest of freedom of choice and self-determination on the part of the Vietnamese people. The need of all the children in South Vietnam must have the highest priority in this effort.

Our casualties in South Vietnam are not only those counted and reported in the daily press. Those families and their children who have been killed, maimed, or left homeless by the war in which we have been a major participant, are the unreported casualties of the war. The disruption of family life caused by the massive dislocation of the population has destroyed the very fabric of Vietnamese life. It has taken a horrible toll within the child population. The social needs of millions of children, those still clinging to what little is left of their own families in the villages and cities; those whose existence, is supported in overcrowded institutions, shockingly substandard when measured by the most elementary requirements of child care; and those who are completely homeless, neglected or abandoned to the streets of Saigon, present a stark and disturbing picture. They represent a threat to the future well-being of the Vietnamese nation; they represent a potential for defeat of the possibility of the Vietnamese people to achieve the goal stated by President Nixon in May, 1969: ". . . . to determine their own political future without outside interference." They represent a social cost that neither Vietnam nor the rest of the human society can ever afford.

The statement of intent of S. 2497 as a public policy position, if fully implemented, would represent an enormous contribution to the reversal of the effects and long range consequences of continued neglect of millions of Vietnamese children and their families.

In 1967, the A.I.D. Social Welfare Task Force of which I was the Chairman, pointed out that our government, as reflected by the absence of a sustained commitment, an appropriate allocation of funds, and provision of qualified personnel commensurate with the need and shared responsibility of our nation for meeting it, had abdicated all responsibility for developing leadership and capability on the part of the Vietnamese government to address itself to social development. The Task Force Report emphasized its conviction that "sound social policies and programs are tools in winning the war and in Vietnam's nation building efforts." We failed to gain acceptance of this position on the part of A.I.D. following our tour of duty in 1967.

During my 1970 visit to Vietnam, I found that that position still had not been accepted. From information available in official reports, including those from A.I.D., the proposals advanced provide no indication that a change is likely to occur on the initiative of the Administration. Indeed, what is indicated, and consistently advanced, is a crisis-oriented approach to human problems in South Vietnam, a narrow perception of human need, and a short-range, inadequate allocation of funds that fail to reflect any intent on the part of our government to share with the Vietnamese our technical and financial capability for the pursuit of social as well as economic development. This is particularly true in the case of children and their families whose homes and traditional forms of support we have so effectively destroyed.

I understand that a request for substantial assistance to support social welfare was made by the Ministry of Social Welfare sometime last fall. I understand further that the AIDVN Mission approved ear-marking some 500 million piasters for social welfare. Only now, in March, has agreement been reached within the Administration to make available some 300 million of the allocated 500 million piasters. Beyond this delay, it must be emphasized that whatever sums have been ear-marked or actually approved for use, this is an approval for this calendar year only. These facts must be viewed within the context of two apparent policy postures of the administration: 1) that it has no long range responsibility for social welfare support in South Vietnam; and 2) that A.I.D. will continue not to be involved in a supporting assistance program in South Vietnam. Question must be raised then concerning the creditibility of the Administrations position that no existing legislation or additional governmental structure are necessary.

The statement of intent of S. 2497 would reverse this disgraceful posture of our government in this area of human need. If for no other reason, the Bill warrants the enthusiastic support of the American people.

The second statement of intent of the bill, affirming responsibility for assisting "in facilitating the care or adoption of children in Vietnam whose fathers are United States citizens and who are not living with their Vietnamese families," also must be supported.

The provisions of the bill designed to implement this statement of public policy on the part of our government are sound and practical. The experience of the French in dealing with this problem in Indo-China before us; and the social cost of our ineptness as a people, in dealing with many of the children in Germany and Korea whose fathers were American citizens, should provide us the understanding and know-how for effective, humane handling of similar children in South Vietnam. Who better than we Americans know the crippling effects in the development of children of the stigma of difference based on color and mixed ethnic parentage? Who better than we should provide the choice for children to escape that stigma and its damaging effects on the individual and the society of which he is a member.

In addition to the public policy commitments on the part of our government set forth in S. 2497, there are a number of provisions concerning which I wish to submit a few, brief comments.

I urge particular support of provisions in Section 2 that set up a Vietnam Children's Care Agency and that broadly and appropriately defines children who are to be beneficiaries of its service as all children sixteen years of age or younger whose needs stem from war related circumstances. My preference for direct assistance to the Government of Vietnam and my reservations about it have already been stated. This Committee should be clear that such a definition will include a great majority of Vietnamese children, and that establishing and maintaining a program for their care and protection in their own homes, in institutional care, or through adoption cannot and must not be perceived as a short-term, emergency type development. It is in this respect that I stress

the long-range commitment feature of the bill's legislative intent and the requirement for provision of funds to implement that long-term commitment.

The bill is eminently sound in recognizing the differential needs of children by authorizing provision for assistance to children in their own homes, in institutions, in day care centers, in hostels, and adoption. The recognition of the differential needs of children is further reflected by provision for the training of child care personnel for the variety of services. This is an essential provision of the bill and must not be lost in further Congressional consideration. Indeed, the effectiveness of the provision of services authorized under the bill are almost completely dependent on the quantity and quality of personnel, American and Vietnamese, engaged in the program.

I wish to stress support, further, for that provision in Section 2 that authorizes the Agency "to provide, on such terms and conditions as it considers appropriate, direct assistance to public or private nonprofit organizations . . ." Again, this provision is in accord with a recommendation made by the aforementioned A.I.D. Task Force on Social Welfare that "a dynamic partnership between government and citizen effort may evolve, and that joint planning and mutual collaboration in the interest of human well-being and social reconstruction may be achieved." I would urge that the Committee's discussion clearly indicate to the administration of the proposed agency its intent that there be built-in the public-nonprofit organization relationship acceptable standards of child welfare services, reflecting the cultural traditions of the Vietnamese people, and a degree of accountability for performance that not only is acceptable to them at this period of their social development, but that contributes to further advances in child and family welfare service delivery in Vietnam.

In closing I would strongly emphasize again that soundly conceived, effective programs for children and their families cannot be established on an ad hoc basis. Short range and long range planning for the aspect of social development dealt with in the Bill, if it is to meet the objectives of the legislation, requires a long term commitment buttressed by Agency funding on at least a three to five year basis. No other approach can be defended in terms of child need in Vietnam. No other approach can possibly satisfy the responsibility that the United States inescapably has in helping bind the social wounds suffered by the assault that has been made during the war to the social fabric of the Vietnamese society.

TESTIMONY FOR S. 2497—HEARINGS APRIL 5, 1972—COMMITTEE ON FOREIGN RELATIONS

My name is Nancy Krivit. I am 29 years old, married to Mark Krivit for the past ten years, and the mother of four children, two boys whom I gave birth to, a little girl whom we adopted, and a little girl in Vietnam who we are in the process of adopting now. I wish to tell the Committee of our personal experience in adopting a Vietnamese child, of the experiences of some of the 75 families in this country with whom I correspond who have adopted Vietnamese children, and of the work of hundreds of volunteers in our country who are trying to alleviate some of the suffering of innocent children by providing money, food, clothing, milk and medicines to orphanages in Vietnam.

In 1967 my husband and I decided we wanted to adopt a Vietnamese orphan. Although we had no knowledge of the numbers of children in orphanages or the conditions under which they lived, we knew that war creates orphans, we had room for a child in our home who needed a home, and we very much wanted a little girl in the family. We called several international social agencies and were told it was impossible to adopt a child from Vietnam. In the process we learned of the many homeless children in this country, and proceeded to adopt a little girl in 1970.

By the time we adopted Rory we had learned a great deal about the field of adoption. We were active in two voluntary parent groups, Council on Adoptable Children and Frontiers in Adoption, whose functions involved recruiting parents for homeless children, and working to change laws that hampered children's chances for adoption. Both Mark and myself helped to create Spaulding for Children, a New Jersey licensed adoption agency whose purpose is to serve without fees the homeless children in this country for whom other adoption agencies have been unable to find homes. As members of the Board of Directors we increased our knowledge of adoption both from an agency and individual point of view.

Last year we learned of a family who had adopted a Vietnamese child. We called them and at that point began actively trying to adopt a child. At the same time we became active in organizations which tried to encourage agencies to help with Vietnamese adoption; we helped to support orphanages that were releasing children for adoption; and we tried through the legislation we are discussing today to involve our government in helping the youngest victims of the war.

Last June, 1971, we began writing to several orphanages and agencies trying to locate a child available for adoption. We did not have any friends in Vietnam who could help us, so we had to use the mail. It took us seven months before we were notified by one orphanage that a three week old Vietnamese American baby was available to us. This long wait is so incredible when one considers the thousands of orphans in Vietnam who live in the 126 registered orphanages, on the street or in whatever shelter they can find. We are overjoyed with our daughter and are now in the process of adopting her, a process which will take about a year and is only possible because of the cooperation of individuals in Vietnam who voluntarily devote their time to helping people who cannot travel to Vietnam to adopt. They arrange the paper work with a Vietnamese lawyer and care for the children until they are able to leave the country.

Our daughter is in one of the nicer orphanages in Vietnam, near a United States Air Force base. Over the years this orphanage has received help from soldiers who devote their time to assisting with repairs and maintenance and playing with the children, of vital importance to their development. They also accept packages and letters for the orphanage. Without their help many more children would die than the estimated 80 to 90% mortality rate that now exists in Vietnam's institutions.

From the most recent pictures we have received of our daughter it appears that her legs are not developing properly. We are concerned that we are unable to take her to a doctor and have the necessary diet and correction prescribed that would correct the condition. Instead we must again use the mail to look for a means to help her through people now in Vietnam. The medical care in the best of orphanages is minimal, and conditions like hers, which are not among the most serious, must be overlooked so that those critically ill children can receive care. Nevertheless, we know in the many months that we must wait, the conditions will probably worsen. We also must live in the hope that none of the common killers of babies, measles, tuberculosis, polio, and pneumonia, will be contracted by our very fragile baby, who already is underweight for her age. We only wish there was medical care for our daughter, and for all the children, and that the time she must spend in a crowded orphanage sharing her crib with at least one other baby can be considerably reduced.

I am a co-founder of the New Jersey branch of Friends of Children of Vietnam, an organization that originated in Colorado some years ago, and whose functions are primarily to support those facilities that are involved in adoption, and to assist adoptive parents in the complicated paper work they must complete before they can bring their child home. As a member of Friends of Children of Vietnam, I have received hundreds of letters from families who would gladly open their homes to a Vietnamese orphan. The homeless children in Vietnam are waiting for parents; the willing parents are waiting for children. The machinery to bring them together has got to be simplified.

There have been eighteen Vietnamese children adopted in Colorado and at least another eighteen adoptions started. The children are a great joy to their families. Each adoption has had some delays and each has been a frustrating wait for the parents. But for some the long wait involved in the adoption has had long-range consequences.

The Schlegals of Longmont, Colorado, had waited four months for their son when they received word he had died in the orphanage. Although the death of this child was difficult for them, they decided to accept a "replacement", a baby boy close to the same age and in the same orphanage. The second boy was named Scott and they waited another eight months for him. Scott was twenty months old when he arrived and could only crawl crab-fashion on the floor. He had had polio. His legs were badly damaged. After a year in casts and braces, Scott had major surgery on one leg. He faces at least one more operation on the other leg and more years in braces. The doctors assure the Schlegals Scott will walk. Had his adoption taken a shorter time, Scott needn't have had polio. His parents now are just grateful to have him and consider him a special gift to their family.

Lara Pauli Grant was born in the same village in Vietnam and on the same day as Scott Schlegal. She went to the same orphanage and got polio at the same time. Lara Pauli will always walk with a limp. A beautiful and loving two years old, Lara delights her parents who can't get over their good fortune in having her. But sometimes when her weak leg gives way and she falls, they wonder why she had to have polio, why she couldn't have come early enough to save her from being handicapped.

Kim Oanh Buchanan was five years old before she was chosen for adoption. Sister Anicet at the orphanage explained to Kim Oanh about a family of her own, gave her pictures of two brothers, two sisters and parents, and then she waited. Ten months is a long time for parents when they wonder every day if their child is being fed well. For the children waiting for a new sister, for the five year waiting for a promised home, it is long enough to turn a promise into a dream. Kim Oanh is a delight to her family but her speech is developing slowly. Constant untreated ear infections during her stay in the orphanage have resulted in some loss of hearing. It is difficult to learn a new language when you can't hear it very well.

Van watched his family die in a mortar attack. At age seven, he held his shattered leg together with one hand and dragged himself from mother to brother to father to sister. A two year old sister was still alive but died as Van tried to give her the drink of water she begged.

An American found Van in a hospital and heard his story. The American was so moved he promised Van to take him home to the U.S. and always take care of him. It took two years to get through the adoptive red tape. For two years that little boy alternately hoped and despaired.

Van is a happy American ten year old now.

He is doing well with his artificial leg. His parents are very proud of him. But we wonder if, after all he had experienced, he really had to go through those two years of waiting.

All of the adoptions are happy. The children are bright and beautiful. But many more families would like to adopt, and are unable to. At the same time a nun at one of the orphanages writes "The babies are dying like flies. We have four to a tiny crib. The children are eating moths and ants. So many die."

A family in New York located a child in an orphanage, and after seven months of loving her, they found out her parents were taking her back. Despite their sadness, they realized that this was as it should be. They realized that adoption was a solution for a small number of the children in Vietnam who need help, but they also realized that for these children adoption was their only hope for survival and a fruitful life. Soon another child was located for them, but she died suddenly of measles. They were shocked and terribly grief stricken, but they knew of the need and they knew of their desire for a child, so they continued when a third child was located for them. Fourteen months after they heard about their first daughter, their third daughter arrived, weak and thin, but alive and smiling. The doctors say her early malnutrition has left her in a weakened condition, but every day she gains strength and even is a bit chubby today.

Every family with whom I correspond tell of the amazing capacity of their children to adjust quickly, and of their eagerness to learn and to enjoy their new environment. They tell of the interest they have developed in the Vietnamese culture and history, as they learn about it in order to share their knowledge with all of their children.

The majority of the children who have come to this country are of mixed racial background, either Vietnamese-Caucasian or Vietnamese-Negro. A nun at one of the orphanages comments "Yes, there are so many mixed American-Vietnamese in Vietnam who need a good home and good parents. I am really very worried about their future." It is acknowledged by most of the experts in child welfare that the mixed race child will have great difficulties as he grows older, and particularly the part black child. Numerous studies completed in this country concerning the thousands of Korean children who have been adopted by Americans point out that the adoption of children across racial lines has had a very high degree of success in terms of the child's adjustment, the mutual satisfaction of parent and child and the child's capacity for a fulfilling life. It would seem that adoption is a very important solution to some children in Vietnam whose futures are so uncertain today.

As I understand it, the long delay in the completion of the adoptions is caused primarily by the proxy adoption system now in use in Vietnamese courts, which requires a child to be legally adopted before he can leave the country, rather than having an agency assume legal guardianship of a child, and bringing the child out of the country and placing him in a home until a final American adoption can be completed, at which point the agency would then give up legal guardianship. One particular delay is caused by the need for a dispensation signed by the President of South Vietnam in the majority of cases when the following adoption requirements have not been fulfilled.

1. Parents must be married ten years or more.

2. Parents must have no natural children.

3. At least one parent must be over the age of 30.

Although the dispensations are granted regularly, there is a delay of up to several months in which time the adoption process is at a standstill. There is also a lengthy court process involving two hearings scheduled two months apart. Another delay is caused by the fact that abandoned children must be issued a birth certificate, which has taken up to five months in some cases. From the time a family first locates a child, about a year will pass before that child can join his family.

The part of the Vietnamese adoption that takes place in this country is basically the completion of a home study by a qualified adoption agency and the filing of Petition I–600 with Immigration and Naturalization. When the child enters the country, although he has been adopted legally in Vietnam, most of the children are readopted in their state and then file for citizenship two years later.

It has been found that the Immigration authorities have been particularly cooperative in filing Petition I–600, and in many states the public welfare agency has been cooperative in performing the necessary home study.

However, in many states families have run into a great deal of resistance in obtaining a home study for a child not born in this country. It seems to me that the public agency is there to serve the public, which has not been the case for the many families who have been forced to pay fees to private agencies in order that they could have a home study completed.

In some states a family can not adopt a child unless the child has been seen by the family, which makes it impossible for some people to adopt a Vietnamese child. To date there has been little official agency involvement by those who are in a position to help people who wish to adopt; thus there has been nobody to turn to when problems of this nature arise. It is hoped that this legislation will correct some of the weaknesses in Vietnamese adoption and enable agencies to assume a more clear cut and responsible position in helping Americans who wish to adopt.

The tragic irony that exists today is just as the children suffered greatly when U.S. involvement was at its height in Vietnam, so the children will suffer even more as the troops withdraw. These children, who are our responsibility, need extensive child welfare services, including adoption, and they need them now, before too many more innocent children must die.

To sum it up my recommendations would be as follows:

1. To eliminate the proxy adoption, and allow agencies to bring the children out of Vietnam on a case by case basis, under agency legal guardianship.

2. If this is not possible, a simplification of adoption procedures could be encouraged, which would eliminate the need for dispensation, and shorten the court procedure for adoption.

3. A more efficient method should be conceived to obtain a birth certificate for an abandoned child.

4. An education program in Vietnam, particularly geared to those who run the orphanages which would help the people to better understand adoption and how it benefits children.

5. Strong and continuing financial support to orphanages, so that adequate food and facilities and medical care can be provided for all the children, and easy accessibility to doctors and hospitals for the children who are in need.

6. More cooperation from the agencies who are in a position to engage in Vietnamese adoption, and to assist parents in adopting a child.

7. Cooperation from each States Welfare Department for completion of home studies for intercountry adoption and recognition of proxy adoption.

PLANS TO PROTECT THE HOMEOWNER

Mr. PERCY. Mr. President, during the hearings 5 years ago on the homeownership program for low-income families I repeatedly urged my colleagues on the Banking and Currency Committee to adopt some form of insurance to protect the home buyer from defaulting on his mortgage due to involuntary unemployment. Unfortunately my proposal was not adopted.

We are now witnessing thousands of defaults, foreclosures, and abandonments in cities across the country in connection with the section 221(d)(2) and section 235 programs. One of the major reasons for this regrettable pattern of failure—aside from the well-documented abuses in several FHA mortgage insurance programs—is the economic recession plaguing our central cities the last few years.

Many lower income families could still be enjoying the fruits of homeownership and contributing to the stability and growth of their communities if the Congress had recognized the need for helping the purchaser meet his mortgage payments in times of economic hardship.

I am pleased to learn that the private sector is now offering a plan to protect homeowners from unforeseen economic developments. The plan, called the economic security plan, was devised by Mr. Laurence August who is now executive vice president of ESP-Fidelity Corp. I am extremely pleased that the Department of Housing and Urban Development has recently agreed to allow the program to be made available to purchasers who use FHA financing and that ESP-Fidelity intends to make the service available to purchasers participating in the section 235 program.

I ask unanimous consent that an exchange of letters between Mr. August and Mr. Robert Hollister of HUD and a letter to me from Mr. August be incorporated in the RECORD at the conclusion of my remarks.

This is how the program works.

Sellers may adopt a variety of predetermined employment protection plans on behalf of their consumers, providing from two monthly payments in 1 year, up to 10 monthly payments in 4 years, if the consumer's earning capacity is involuntarily suspended due to:

Economic unemployment in which an employer or company reduces employed personnel because of adverse economic necessity;

Technological unemployment in which a position is eliminated due to technological advance or automation;

Geographic unemployment in which a position is eliminated when a company relocates an administration, sales, or industrial operation;

Production or product redesign in which temporary unemployment is caused by redesign of product or production methods; and

Lockout due to union dispute.

A 30-day waiting period is required to complete the necessary substantiation and paperwork. The first monthly payment will be credited to the consumer's

account on the regularly scheduled payment date following this 30-day waiting period if the consumer is still unemployed at that time. Subsequent monthly payments will be credited in this manner during each month of the consumer's unemployment for the predetermined aggregate total.

The full cost of the protection is borne by the seller and amounts to about one-third to one-half of a monthly payment.

I understand the economic security program is available in such diverse areas as Los Angeles, Calif., and Providence, R.I. The protection is offered by homebuilders in Park Forest South, Aurora, and throughout Cook County in Illinois. Plans are in the making to extend the program throughout the United States.

I believe that Senators will be interested in further details about the program and about Mr. August, the remarkable young originator of this plan.

I ask unanimous consent that descriptive materials and newspaper articles also be incorporated in the RECORD at the conclusion of my remarks.

I am gratified that someone is advocating and implementing programs to protect the consumer of real estate properties at a time when so many fast-buck operators are interested only in bilking the public.

Several weeks ago I inserted in the RECORD a brochure about how to make fast profits on real estate which I entitled, "A Guide To Bilking the Public." This guide has generated a great deal of interest and several people have written me about activities designed to protect, rather than bilk the consumer.

I wish to call two such programs to the attention of the Senate. One is a voluntary 235–237 counseling program operated by the Tri-County Urban League in Peoria, Ill. The other is a counseling program sponsored by America 2000, a St. Louis, Mo., nonprofit foundation.

I ask unanimous consent that descriptive material about these two programs, including a counseling booklet prepared by the Peoria program, be printed in the RECORD.

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

E.S.P. FIDELITY CORP.,
Los Angeles, Calif., March 2, 1972.

Mr. ROBERT HOLLISTER,
Chief—Home Mortgage, Office of the General Counsel, Department of Housing and Urban Development, Washington, D.C.

DEAR MR. HOLLISTER: Thank you for your expression of interest in the Economic Security Program. As you will note, it is the only Program now in existence that not only protects the unemployed homeowner's investment, but, at the same time, increases the unemployed homeowner's equity and preserves the unemployed homeowner's credit rating.

Simultaneously, the Economic Security Program acts as a Lender protection device by assuring a continuity of profitable cash flow even while the homeowner is unemployed.

We are even willing to include buyers of No. 235 homes within the protection of the Economic Security Program and to extend this protection into such depressed areas as Seattle, Washington.

We believe that the Economic Security Program will be of immeasurable benefit to the operations and goals of the F.H.A. This is especially true if the F.H.A. does not put the builders who adopt the Program into the double jeopardy of reducing their loan commitment by a sum equal to the small fee they will spend in securing this protection for their homebuyers.

The builders of these homes agree not to pass even this minimal cost on to the homeowner. Therefore, an F.H.A. home selling for $25,000 before the builder adopts the Economic Security Program, will still cost $25,000 after builder adopts this economic protection on behalf of the homeowner.

As I informed you, this fee, which is paid by the builder, represents approximately 50% of one normal monthly mortgage payment, which in turn, provides six (6) full monthly payments within a three year period.

An affirmative decision on this matter would be deeply appreciated by the home buying public and the home builder, while being of great benefit to the F.H.A.

Regards,

LAURENCE I. AUGUST,
Executive Vice President.

NOTE: The Economic Security Program has been reviewed and received favorably by:

1. Office of Senator Warren Magnuson, Mr. Norman Dicks.
2. Office of Senator Alan Cranston, Mr. Steve Shefler.
3. Office of the Chairman—Federal Home Loan Bank, Mr. Trent Feldman.
4. Department of Housing and Urban Affairs—Community Development, Mr. Roy Cuneo.
5. Federal Home Mortgage Corp., Mr. Arthur Atkinson.

MARCH 15, 1972.

Mr. LAURENCE I. AUGUST,
Executive Vice President, E.S.P. Fidelity Corp., Los Angeles, Calif.

DEAR MR. AUGUST: I am replying to your letter of March 2, 1972, concerning the proposed Economic Security Program which is being offered by your company.

It is our understanding that the program offers several unemployment protection plans for purchasers of homes for a period of up to three years for an approximate cost of fifty percent of one monthly mortgage payment. The premiums will be paid by the seller of the property. The cost of this policy is not, under any circumstances, to be passed on to the purchaser and will not affect the price of a dwelling.

We have no legal objection to the above program provided that it is available to purchasers who finance their mortgage using VA, FHA or conventional methods and not just to purchasers under federal programs. Furthermore, there must be a provision which either permits an assumpter of the mortgage or deed of trust to receive the benefits of the insurance policy for any remaining term of the three year policy or, in the alternative, an agreement by the insuring company to return any unearned premium to the party who paid for the policy.

Since the program does not in any way affect the sales price of dwellings we do not intend to treat the payment of the premium by the seller as a reduction in the sales price which would require an equivalent reduction in the lean commitment amount.

However, we do intend to carefully monitor sales prices in areas where the program is adopted and we would reconsider our decision if evidence is produced which indicates that the program is affecting the sales price of units covered under the program.

The foregoing is not to be construed as an approval of your plan by the Department. Any statement implying FHA approval would be in violation of Section 709 of Title 18 of the United States Code which provides for a fine of not more than $1,000 or imprisonment for not more than one year, or both.

I trust that the foregoing will be of assistance to you.

Sincerely yours,

ROBERT F. HOLLISTER,
Chief, Home Mortgage Section.

E.S.P. FIDELITY CORPORATION,
Los Angeles, Calif., March 14, 1972.

Senator CHARLES PERCY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PERCY: I am literally overwhelmed at the swift, efficient, and very favorable assistance you and your staff provided on behalf of our Economic Security Program.

There is no doubt in our minds that without this assistance, the favorable decision reached by HUD would not have been forthcoming in such an expeditious manner if at all. To paraphrase the closing paragraph in my letter to Robert Hollister, your interest in this matter is not only deeply appreciated by all the members of ESP-Fidelity Corp., but, in turn, will be of great benefit to the home buying public, the home builder and the Department of Housing and Urban Development.

Warmest regards,

LAURENCE I. AUGUST,
Executive Vice President.

ECONOMIC SECURITY PROGRAM
PRECIS OF OPERATION

The Economic Security Program provides direct financial protection to the involuntarily unemployed Homeowner.

The Program is also designed to alleviate the Homeowner's "fear syndrome" that occurs when assuming the financial obligation of mortgage.

In addition, the Economic Security Program acts as a form of protection to the Lender by partially assuring a continuity of repayment even when the mortgagee is unemployed.

I. ADOPTION

A. The builder/developer agrees to adopt the Economic Security Program.

B. Builder/developer selects a specific plan most applicable to the designated market (example: a total of 6 full monthly payments made through the Economic Security Program in a 3 year period if the homebuyer becomes involuntarily unemployed).

C. The builder/developer supplies the information required for specific rate determination (see rate determination section in booklet).

D. ESP-Fidelity Corp. presents builder/developer with specific rate (example: the plan specifying 6 full monthly payments in a 3 year period will cost the builder/developer a total of approximately 48% to 51% of one monthly payment for the full 3 year term).

II. OPERATION

A. ESP-Fidelity Corp. supplies the builder/developer with Economic Security Program certificates which specify all the benefits, qualifications and restrictions of the Program.

B. Upon completion of escrow, the builder/developer presents homebuyer with an Economic Security Program certificate. In Every Case the Minimal Cost of the Program Has Been Absorbed by the Builder/Developer.

C. Builder/developer submits the necessary identification information on each homebuyer along with the designated premium to ESP-Fidelity Corp.

D. ESP-Fidelity Corp. supplies the insurance company with the specified information and premium. The homebuyer is now fully protected by the Economic Security Program although the homebuyer is never issued any form of insurance policy or insurance certificate.

E. Upon receiving the specified information and the premium, ESP-Fidelity Corp. sends the homebuyer an Unemployment Notification Form which is to be filed out and sent to ESP-Fidelity Corp. if and when the homebuyer becomes involuntarily unemployed.

III. MONTHLY PAYMENT PROCEDURES

A. If the homebuyer does become unemployed he or she will fill out the Unemployment Notification Form and submit it to ESP-Fidelity Corp. In this form the homebuyer must specify that he or she is involuntarily unemployed due to one or more of the reasons listed in the Economic Security Program (see booklet-Unemployment Protection Plan).

B. ESP-Fidelity Corp. will, in turn, submit the Unemployment Notification Form to the insurance company.

C. Within 30 days after receiving the Unemployment Notification Form, the insurance company will send the unemployed homebuyer a voucher made out to the Savings and Loan company or whoever is holding the mortgage for the full amount of one monthly payment. This payment may include taxes and insurance along with interest and principal if so specified originally by the builder/developer. The unemployed homebuyer will countersign this voucher stipulating that he or she remains unemployed as of that date and send it to the Savings and Loan company or whoever is designated as holding the mortgage.

D. A similar voucher will be sent each month that the homebuyer remains unemployed, up to and including a maximum number of months specified in the plan.

E. The insurance company retains the right to ascertain if the homebuyer is still unemployed at any time during this period.

IV. SPECIAL FEATURES

A. Economic security program payments are made on behalf of the homeowner free and clear of any obligation to repay these funds.

B. The Program protects both company employed and self employed homebuyers.

C. Once the premium is paid, the individual Economic Security Program certificates may not be canceled throughout the term of the Program.

D. Military men who purchase homes while still on active duty and are then forced into early discharges due to the Department of Defense's new personnel reduction program are fully protected under the Economic Security Program.

AID OFFERED TO JOBLESS THROUGH SELLERS

(By Robert A. Wright)

LOS ANGELES.—Laurence August, a 36-year-old Los Angeles public relations counselor, has gone into the unemployment insurance business.

The E.S.P.-Fidelity Corporation, a company he founded recently, is offering a plan that would pay installments on consumer purchases—from homes to washing machines—when a person loses his job. The seller pays the insurance premiums.

The plan was devised originally as a marketing tool for developers who were encountering difficulty selling homes during a recession. "An aerospace worker, seeing his fellow workers being laid off, is not about to make a long-term commitment on a home for fear he is next," Mr. August notes. "And who knows how many washing machines have not been sold during the recession because of the fear syndrome among consumers worried that they might not be able to pay it all off?"

E.S.P. (for Economic Security Program) is offering a variety of unemployment protection plans through sellers of products that provide two monthly payments in one year up to 10 over four years. "Unlike any form of insurance, our certificates held by the consumer cannot be canceled during the term of the program," Mr. August declares.

Mr. August says his plan is simple, but he describes his experience from his original idea to formation of E.S.P.-Fidelity as an "odyssey."

The idea of E.S.P.-Fidelity came to Mr. August in early 1970 during a personal tragedy. His infant son, born with a rare disease, died after three and a half months, never having left the hospital. Mr. August was faced with doctor and hospital bills totaling $26,000, for which he was not insured. Meanwhile, he estimates, he lost some $25,000 in potential business in his public relations company because of his distraction with his son's illness. "I thought, there ought to be some way to buffer people against things like this. Suppose I was employed? I had to be at the hospital every day."

Developing his idea as a marketing device for sellers of homes, Mr. August found that most states had laws preventing the giving away of insurance; it had to be paid for. He then took his idea to insurance companies, but could not sell any of 12 companies he approached. "At that time, I began to think I was speaking English and they Italian, or vice-versa. When I got any response at all they would say, 'How much equity would a man put into a house before we insure him?' I would say, 'You're not insuring the man or the house. No equity is involved.' At that point, I would be told. 'There are no actuarial tables on this' Therefore, as far as they were concerned, it didn't exist."

Disillusioned, Mr. August nearly gave up before finding an insurance company to back his program. He says. "Now I'm very pleased we did find a large and enlightened company. I was beginning to think they didn't exist."

E.S.P.-Fidelity was founded in July, 1971, but it was not until December that the program took its final form.

The program, which is guaranteed by Market Facilities-Chicago, general agent for the Reserve Insurance Company of Chicago, works as follows: alternate plans pay from two monthly payments of a covered installment purchase in a six-month period, up to 10 monthly payments in a four-year period when the consumer becomes unemployed. Five types of unemployment are covered: reduction in a company work force for economic reasons, technological unemployment, geographical unemployment, when a company relocates, product redesign causing temporary unemployment and lockout because of a union dispute. There is a 30-day waiting period from the issuance of the certificate until payments are collectible.

To qualify, a consumer must be 21 years old—or 18 where state law allows—and a designated head of household. He must have been continually employed by one or more employers for 12 months prior to making his first claim in the E.S.P. program or an active member of a union for that long. Military consumers must have been phased out of the service under "early" honorable discharges.

E.S.P.-Fidelity issues a blanket certificate for each participating seller, for which it charges a fee averaging $500 if no salesman orientation program or other services are required. E.S.P.-Fidelity also receives a fee for each certificate of coverage issued to purchasers, collects premiums from the company covered and passes them along to the insurer.

The cost to the seller, Mr. August says, is minimal. On a $20,000 home with a Federal Housing Administration mortgage and monthly payments of $200, including taxes, Mr. August says it would cost the seller "no more than $100" to cover a certificate offering six monthly payments in case of unemployment over a three-year term.

All of the insurance is placed through the Chicago agency, Starkweather & Shepley, of which Edward Lawson is a partner. Mr. Lawson, president, Mr. August, executive vice president, and Arthur Rifas of Chicago, secretary-treasurer, are the three principal stockholders of E.S.P.-Fidelity.

So far, E.S.P.-Fidelity has five customers—all home developers—and has extended coverage to some 1,500 households in California, Arizona, Texas and the Gulf Coast. It has offices in Los Angeles and Chicago and plans to open another soon in Providence, R.I.

Eventually, Mr. August hopes to be able to cover all kinds of products bought on credit. "We have had indications that the program could be a stabilizing factor in the entire credit economy, in which nearly 100-million Americans are obligated to installment payments," Mr. August says. "We've been sounded out by the automotive industry, a retail credit financing company, a retail trade association and have gotten expressions of curiosity from various sectors of the Federal Government."

But E.S.P.-Fidelity is not rushing into expansion to every kind of product. Mr. August says, beginning to sound more like an insurance man: "We have little experience and don't know yet what our rates should be. But that's what we're aiming at."

[From the Orange County Evening News, California, Aug. 25, 1971]

DURING UNEMPLOYMENT CRISIS: CONSUMER PROTECTION FOR PUBLIC

Consumer protection, one of the most controversial aspects of modern American business, may now be offered on an economically practical basis by the companies engaged in the pursuit of the diversified recreational or leisure time market.

Referred to as the Economic Security Program by its creator, Los Angeles-based marketing and mass motivation consultant, Laurence August, the program is undergoing its first practical application at major recreational land developments in two divergent regions of the country: the Gulf Coast of Mississippi and Northern California.

"The concept of this program is extremely simple, explained August. "Primarily it's designed to offer a form of effective economic assistance to time-payment purchasers of major recreational and luxury items, if these purchasers become involuntarily unemployed due to adverse economic conditions."

According to August, such major recreational items as vacation homesites, second homes, mobile homes, recreational vehicles, boats and vacation condominiums could easily be enveloped in the Economic Security Program. The program also can be adapted to envelop home improvement loans and swimming pools.

August explained that if such a time-payment purchaser did become involuntarily unemployed due to various economic conditions, the Economic Security Program provides for these payments to be credited to the purchaser's account during each month of unemployment for up to six full months.

The two key unprecedented factors of this Economic Security Program are: the benefits are provided at no additional cost to the consumer; and there is absolutely no future obligation placed on the consumer to repay the credited payments.

"During a financially burdensome unemployment period," continued August, "the consumer benefiting from the Economic Security Program not only saves the equity already invested, but with no financial strain, is able to actually increase the equity each month while retaining a good credit rating."

Superior Equity Corp. of California, Inc./Envirotec General Corp., the joint venture partnership engaged in the development of Lake California in Northern California is one of the first major organizations in the western United States to adopt the program.

The expensive, diversified nature of Lake California makes it an excellent primary model for the Economic Security Program.

With a master plan that will envelop approximately 10,000 sites, Lake California contains lakefront marina homesites, one-acre and 2½-acre equestrian sites, golf course sites, a mobile home park and a "fly home" area where private plane operators can taxi directly from the Lake California airstrip to their homes. There also are multiple unit and commercial sites within the community. These diversified environmental living areas are all included in the Economic Security Program. In addition, the homes and the various amenities that are conducive to these different areas, such as boats, private pools, etc. will be easily contained in the Economic Security Program.

"What the Economic Security Program does at Lake California" states George Yost, president of Envirotec General, "is to enable our property owners to enjoy their homesites, their second homes and the other major recreational amenities with a greater sense of security from financial worries caused by actual unemployment or the fear of future unemployment."

On the Gulf Coast, U.S. Leisure Time of Mississippi, a division of World Leisure Time Inc. has adopted the Economic Security Program for the property owners of Discovery Bay. This private, seacoast recreational village and yacht club, situated on the Bay of St. Louis, in Mississippi, features an eight-mile complex of interlacing waterways allowing direct access to the Gulf of Mexico. Approximately 1,700 Discovery Bay property owners will now be able to benefit from the Economic Security Program if the need arises at no cost or future obligation.

Robert Beaumont, president of World Leisure Time, Inc. obviously is delighted that its subsidiary, U.S. Leisure Time, Inc. of Mississippi, was responsible for the adoption of the program at Discovery Bay.

"There is no doubt in my mind but that the public, once it learns what this program offers at no cost or obligation, will insist that all the other developers, producers and distributors within the industry offer the same benefits. Naturally we are proud to be one of the first to present this unique method of consumer protection. It's the type of precedent we believe must be established."

August and his associates have formed ESP Fidelity Corp., which was organized to act as the manager and administrator of the Economic Security Program. To date there are three ESP-Fidelity offices in the United States situated in: Beverly Hills, Chicago and Providence, Rhode Island. August will operate out of the West Coast office at 9355 Wilshire Blvd., Beverly Hills.

The Economic Security Program should not be confused with the less desirable moratorium or deferred payment techniques which only postpone the inevitable financial obligation. August spent almost a year in developing this unprecedented program and analyzing the public need. During this period he was in contact with at least a dozen major insurance companies, various banks and financial institutions, and myriad governmental agencies.

Presently, the new consumer protection program provides benefits in five major categories: economic unemployment, caused by reduction of employed personnel due to adverse economic conditions, technological unemployment, caused by the reduction of employed personnel due to automation or technological advances; geographic unemployment, caused by companies location and/or physical consolidation, production or product redesign, causing temporary unemployment, and "lockouts" caused by union disputes.

"This is our first program," explained August. "In all probability it will be altered and expanded, while other consumer protection programs will be developed by ESP-Fidelity Corp."

[From the Realty and Building, Jan. 22, 1922]

ECONOMIC SECURITY PLAN NOW OFFERED TO HOME BUYERS

A consumer protection plan called Economic Security Program, far in excess of anything now being offered or contemplated by government agencies, general industry or individual companies, has been offered to Midwest homebuyers by ESP-Fidelity Corp., which already has instituted the plan in California, the Southwest and the South.

The new plan guarantees homebuyers, through qualified home builders, their mortgage payments and apartment dwellers their rent payments for a specified period of time should the buyer be unemployed through no fault of his own.

According to Edward Lawson, president of the firm, the program is designed to offer a form of direct and effective financial assistance to consumers who become involuntarily unemployed because of adverse economic conditions.

Mr. Lawson said that the program at this time is limited to purchases of homes, land or rental transactions, but that in time it will be extended to cover consumers obligated to installment payments for major purchases.

Costs of the program are borne by the home builder or developer, and the buyer is protected for a predetermined number of full monthly payments to be credited to his account during the period of unemployment. There is no obligation for the consumer to repay the credited payments, which include both principal and interest.

Mr. Lawson and Arthur Rifas, administrative vice president, will operate out of the home office at 175 W. Jackson Blvd., while Laurence August will supervise operations in the West Coast office.

[From the Oakland Tribune, Aug. 15, 1971]

PLAN PROVIDES FOR PAYMENT BREAK

(By William Doyle)

Buyers will receive protection and the seller has an exciting new marketing tool said Laurance August, Los Angeles-based marketing and mass motivation consultant.

August, who has worked up and down California on a variety of major real estate and land development projects for several years, was talking about a program he developed which takes care of a buyer's payments for up to six months in a three year period if he becomes unemployed for economic reasons.

The first implementation of the plan is at Lake California, a recreation land development between Redding and Red Bluff on the Sacramento River.

August said he first became interested in providing buyer protection more than a year ago.

"There was a lot of interest in consumer protection in the real estate field and consumer advocates were insisting that something had to be done.

"They were good at pointing in alarm but they had no solution," said the intense, dark-haired August.

He added, "As unemployment and the recession grew I noticed that the fear of unemployment was more prevalent than the actual thing in the income range which provided our customers. It had an effect on the cost of sales but not much on sales themselves."

August said it seemed best to think of providing some security even if the ultimate occurred and that he thought it would be simple to work out some program to insure against loss resulting from economic unemployment.

Several months and a myriad of visits to major insurance companies, financial institutions and government agencies he found that it wasn't.

First, it had never been done before, there were no actuarial tables to provide any idea of what the cost might be and finally there is a law in California, and many other states, against giving away insurance.

A DIFFERENT APPROACH

August finally solved this problem by persuading Superior Equity Corp. of California Inc. and Environtec General Corp., joint venturers on the Lake California project, to agree to forgive both principal and interest payments for anyone who became unemployed.

Then an insurance company was found to insure them against any loss they might suffer as a result.

George Yost, president of Environtee said the cost is approximately 0.6 per cent of the sales price of the property and he said the joint venture is absorbing the cost. August said sales advertising and promotion costs on recreation and luxury items often runs 25 per cent of total cost.

Questioned as to why he had agreed to the program Yost said there were three basic reasons.

First, during this period of economic uncertainty the program provided a certain degree of security that customers and prospects were looking for.

Second, the joint venture is involved in a project of a type which has been the subject of much criticism because in many developments the recreation facilities aren't built for two to four years. Yost said the joint venture has $10 million in "front end" money with which it is providing the amenities today and this immediacy goes hand-in-hand with providing protection for the immediate future.

WANTED TO BE FIRST

And finally, since the joint venture is a new company the idea of being the first to provide this type of consumer protection was appealing, said Yost who added, "We wanted something to put us beyond what others were doing."

August said he feels the coverage for three years should take care of the economic evolution to an improved economy and Roger Sack, president of Superior Equity, added that after three years a buyer who paid 10 per cent down has built up an additional 10 per cent equity and is in a good position to ask for a moratorium on payments if he has financial problems.

The plan covers both those who are employed by others and self-employed persons. An employee must have worked for 12 consecutive months before he is eligible while a self-employed person must have been involved for 24 months.

The buyer triggers the coverage by filling out a short form which he submits to the seller when he becomes unemployed. A copy is sent to his former employer to endorse the reason and the forgiveness of payments begins.

August and his associates have formed ESP-Fidelity Corp. to manage and administer the program. He feels it has application for a variety of major recreation purchases such as swimming pools, boats, mobile homes and recreation vehicles.

TRI-COUNTY (PEORIA)
URBAN LEAGUE, INC.,
Peoria, Ill.

TO THE BUYER: Purchasing a home is the biggest investment that many people will ever make. It requires serious, thorough shopping and comparing of values. To help you prepare for this venture, you should know how much house you will be able to qualify for, what the responsibilities of a good homeowner are, and whether you are able, at this time, to assume these responsibilities. The National Housing Act of 1968

and the Housing Bill of 1969 offer financial assistance to the low to moderate income families for purchasing homes.

Your URBAN LEAGUE will provide you with budget, debt management, family and other related home counseling, and any other assistance necessary to qualify you for FHA programs under provisions of Section 235–237 and for general home loans. We have endeavored to develop and implement innovative methods and means to render FHA programs workable and available to those at the lower economic level. We want to extend to low and moderate income people the same rights and opportunities to acquire adequate housing at the same level of ownership as has always been available to those in the upper bracket.

Through the expansion of our housing programs and services, the URBAN LEAGUE intends to make our advocacy of the poorest and most disadvantaged more meaningful and effective in the areas where currently they have no friend and absolutely no voice.

The home counseling program is a part of the Community Services Department of the URBAN LEAGUE.

Sincerely,

TRI-COUNTY (PEORIA)
URBAN LEAGUE.

HOUSING: BETTER SHELTER FOR A BETTER FUTURE

SECTION 235: NATIONAL HOUSING ACT

What is it? A program of homeownership assistance for low-income and moderate-income families.

What kind of housing can I get? New or substantially rehabilitated single-family dwellings approved *PRIOR* to beginning of construction or rehabilitation.

A one-family unit in a condominium project.

How much will it cost? Maximum amount a mortgage can be is $20,500 (23,000 in high-cost areas).

Mortgage made at FHA interest rate.

Mortgage for a thirty (30) year term.

Minimum investment of $200 downpayment by the homebuying family.

Can I get help? Yes, if you are of the following:

Must be a "family" of two (2) or more persons related by blood, marriage, or law.

A handicapped person.

A single person, sixty-two (62) years or older.

Families with credit problems not meeting regular credit standards get priority under Section 237. (237 to be explained later)

How much do I have to make?

To be eligible for assistance, the family must have an adjusted (Net) family income that can only be 135% more than the adjusted (Net) income of a family living in Warner, Harrison, or Taft Homes (Public Housing). Most private homeowners with low incomes will meet the above income limit. Most people already living in Taft, Warner or Harrison Homes will also obviously meet the requirements.

(An adjusted income is one's GROSS (total) income after the deductions of dependents (minors) and other taxes; actually one's NET (ADJUSTED) income.)

Income recertification after mortgage qualification is required of the family every two (2) years.

Assets cannot exceed $2,000.00 ($5,000.00 for people over 62 years of age).

How the assistance program under Section 235 would work is illustrated in the following example:

A family of ten (10)—mother, father, four (4) daughters, and four (4) sons—has a gross annual income of $9,180.00. This particular family would have an adjusted income of $6,321.00.

Gross income	$9,180.00
Child deductions	−2,400.00
	6,780.00
Other taxes	−459.00
Total adjusted income	6,321.00

This particular family wants to buy a $15,700.00 home on a 35 year mortgage at regular interest rates. The buyer's adjusted monthly income is $526.75 ($6,321.00÷12), and 20% of his income is $105.35 (20%×$526.75=$105.35). The total mortgage payment on this property is $168.14. Therefore the buyer's assistance payment from the Federal Government is $62.79, that is ($168.14 −$105.35). The family's monthly mortgage is $105.35.

The monthly mortgage is then subtracted from the family's adjusted monthly income ($526.75), and the balance is then used by the family for their monthly living expenses. (See worksheet on this and following page:)

Example work:

Family—10 people.

Total income—$9,180.00.

Adjusted income—$6,321.00.

*Adjusted income:

Gross	$9,180.00
Child deductions	−2,400.00
	6,780.00
Other taxes	−459.00
Adjusted income	6,321.00

New house—$15,700.00.

Adjusted monthly income—$526.75.

*Adjusted mo. income: $526.75; 12/$6,321.

20% of adjusted monthly income—$105.35 (percentage family to pay on mortgage).

20% A.M.I.: $526.75 times 20 equals $105.35.

*$168.14 (T.M.P.) −105.35 (A.M.I.) equals $62.79 Fed. Govt. Share.

Total mortgage payment=$168.14

Family mortgage amount=$105.35.

Federal Government amount=$62.79.

Adjusted monthly income (A.M.I.)	$526.75
Family monthly mortgage	−105.35
Total monthly living expenses	421.40

Salary table: Tri-County area:

Below is a table showing the maximum income level which a family can have and still be able to qualify for FHA assistance:

NUMBER OF PERSONS IN FAMILY

	1	2	3	4	5	6	7	8	9	10
Peoria, Woodford, Tazewell	$4,185	$6,345	$7,155	$7,965	$8,505	$9,045	$9,400	$9,600	$9,800	$9,990

The above maximum amounts are obtained AFTER the GROSS (total) annual salary has taxes and dependent deductions subtracted from it.

An example of a maximum income level for a family of six (6) would be:

A. $10,000.00—Gross (total) yearly salary times .05—5% equals $500.0000.

B. 4 Dependents times $300.00 equals $300.00 times 4 equals $1,200.00.

Tax deduction	$500
Child deduction	+1,200
Total deductions	1,700
Gross yearly salary	10,000
Deductions	−1,700
Yearly net salary	8,300

The maximum level for a family of six (6) is $9,045. Our family has an income of $8,300.00 and thus qualify for FHA help.

SECTION 237: NATIONAL HOUSING ACT

What is it? Section 237 provides mortgage assistance for low- and moderate-income families with poor credit history.

Section 237 works in conjunction with Section 235. The basic idea under Section 237 is the same as Section 235; the difference being that people unable to be certified for 235 assistance due to poor credit can gain the same certification under the credit counseling done in section 237.

The three (3) major functions of Section 237 are:

A. Screening: The interviewing and reviewing of the records of families who have been rejected for an FHA loan primarily because of bad credit and/or inadequate income.

B. Counseling: 1. Methods of erasing bad credit histories.

2. General counseling on budgeting and/or any other obstacles which prevent a family from qualifying for a FHA mortgage.

3. Counseling on paying installment credit purchases within appropriate time limits.

C. Social service: Advise on social service that might be needed by the family other than economic help.

Under 237, priority is given to families in public housing and especially those required to leave because incomes are over prescribed maximum limits, preference is also given to families displaced by Federal action. (Such as urban renewal.)

How much will it cost? To be eligible under Section 237, a mortgage shall not be higher than $20,500. ($23,000 in high-cost areas)

Mortgages made at FHA interest rate.

Mortgage for thirty (30) year term.

Minimum investment of $200 downpayment by the homebuying family.

*Basically, the aforementioned mortgage criteria follows exactly the information given for the criteria under Section 235.

Can I get help? Must be a single family of two (2) or more persons related by blood, marriage, or law.

Must have a GROSS (TOTAL) monthly salary that is 4 times the monthly mortgage payment.

Extenuating Circumstances:

A. Poor history due to adversities that are beyond the family's control:

1. Extreme illness.

2. Forced unemployment.

3. Accident.

Has a willingness to pay old bills.

Improved credit habits as opposed to past actions.

Has history of poor credit, but has been counseled prior to Section 237 counseling by a professional counseling service.

All marginal cases are to be recommended for approval.

What kind of housing can I get? New or substantially rehabilitated single-family dwellings approved PRIOR to beginning of construction or rehabilitation.

A one-family unit in a condominium project.

* Basically, the aforementioned Eligible Housing criteria follows exactly the information given for the criteria under Section 235.

Credit counseling: The Tri-County (Peoria) Urban League 237 counseling agency

will provide continuous budget, debt management, and other social counseling services to those families that have been recommended to it by the building companies, the lending institution, or the family looking for the new home. (If they realize their credit is bad.)

*The building companies can be either profit, or non-profit agencies.

People living in the various public housing projects are also encouraged to contact the Urban League counseling agency regardless of the fact that they might not as yet have a home in mind. Many families now living in the public housing projects would probably qualify for either section 235 assistance or section 237 counseling assistance.

It would certainly be wise for families in the public housing project that want to move into better living conditions to come to the urban league and see which program they would qualify for.

If perhaps, a family requires the Section 237 credit counseling service, it would be to their advantage to begin the service even before deciding upon a new home. The advantage of beginning the counseling early would be that the family would be that much further along in relation to final FHA certification and thus, would not be forced to wait as long as a family that does not begin the service until after they have selected a home.

The Urban League would also extend the same services as mentioned above to families that have lost their homes due to the Urban Renewal Program.

The Urban League counseling agency will try to place the family on a budget that would help them remain up-to-date in relation to their monthly bills: Begin to pay their creditors, and also have enough money to live on for the month.

The Urban League counseling agency will also try to help the family in ways other than those that are economic. Other services might include finding employment, tips on taking care of a home, food budgeting, homeowners insurance questions, and, if needed, directing the family to the proper source for social or marriage counseling.

The counseling agency is acquainted with a broad spectrum of social agencies providing a wide variety of specialized services.

NONPROFITMAKING HOUSING CORPORATIONS

There are several profit and non-profit housing corporations building houses for low and moderate income families within the Peoria area.

I. Upgrade: (development corporation).

A. What is it? A non-profit housing corporation.

B. Objective: To provide impetus and supplemental financial aid in meeting the housing needs of low and moderate income families.

C. Location: 208 N. MacArthur Highway.

D. Involvement: The major involvement is in relation to the Pierson Hills project.

E. Contact: Mrs. Billy Ambrose 674–1032.

II. Upgrade: (service corporation).

A. What is it? A non-profit housing corporation.

B. Objective: To provide impetus and supplemental financial aid in meeting the housing needs of low and moderate income families.

C. Location: 208 N. MacArthur Highway.

D. Involvement: Upgrade Service Corporation was organized because FHA regulations state that a non-profit housing corporation cannot carry on any other business once it begins construction of a 236 project (such as Pierson Hills). All assets and liabilities were transferred from Upgrade Development to Upgrade Service Corporation in order that they could continue to rehabilitate older houses and build new ones.

III. HOMES, INC.

A. What is it? A non-profit housing corporation.

B. Objective: To build new homes for low and moderate income families that will foster pride of ownership.

C. Location: 503 N. E. Jefferson.

D. Involvement: The redevelopment of an established suburb in the far north section of Peoria (New York and Boulevard).

Construction has begun on an original three (3) units in the above area, and an additional ten (10) lots have been bought for further development.

Through a recent interest-free loan, financing for an additional fifteen (15) units is expected within the next year. These units will be built primarily within the inner city.

E. Contact: Mr. Michael Agelasto 673–8851.

IV. UNITED CHURCHES FOR BETTER HOUSING

A. What is it? A non-profit housing corporation.

B. Objective: To furnish the low and moderate income community with sound, first-class rehabilitated homes.

C. Involvement: As of September 1971, United Churches for Better Housing has processed a total of twenty-six (26) houses. Sixteen (16) of the above total have been completed. Nine (9) have already been sold and five (5) others have approved buyers.

Construction on seven (7) of the remaining ten (10) began this September (1971).

D. Contact: Mr. Holmes Dille 672–7427.

V. URBAN FAMILY RESIDENCES

A. What is it? A non-profit housing corporation.

B. Objective: To build new apartments and duplexes for low and moderate income families.

C. Location: Near Manual High School.

D. Involvement: Urban Family Residences is now in the final stages of completing twenty-six (26) new apartments for rent.

Due to a favorable ruling from the Supreme Court of Illinois, construction of an additional thirty-three (33) units (duplexes) will begin on land adjacent to that of the apartments in the very near future.

E. Contact: Mr. John Radomsky 675–4519.

VI. BAC-UP

A. What is it? A non-profit housing corporation.

B. Objective: To furnish the low and moderate income community with sound, first-class rehabilitated homes.

C. Involvement: Bac-Up has rehabilitated four (4) houses, three (3) of them have been sold. Bac-Up plans to continue rehabilitation.

D. Contact: Mr. Fred Annin 691–7391.

VII. COMMUNITY HOUSING CORPORATION

A. What is it? A non-profit housing corporation.

B. Objective: To build new houses for low and moderate income families.

C. Involvement: Community Housing Corporation is in the process of building six (6) of thirteen (13) new single family houses.

D. Contact: Mr. O. D. Maddox 675–4642.

VIII. Anvil

A. What is it: A non-profit housing corporation.

B. Objective: To build housing for low and moderate income families.

C. Location: Ward Chapel Church.

D. Involvement: Anvil has, as of this writing, two (2) new single family houses under construction that have been sold. The future plans of Anvil are not definite.

E. Contact: Rev. W. L. Stuart.

PROFITMAKING HOUSING CORPORATIONS

I. Layco, Inc.

A. What is it: A profit-making housing corporation.

B. Objective: To build FHA subsidized housing.

C. Location: 6424 N. Randwick Road.

D. Involvement: Layco has been sponsoring FHA subsidized housing in the new subdivision known as Vinton Highlands.

E. Contact: Mr. Charles Carroll 691–2146.

II. Fred Danage, Assoc.

A. What is it: A profit-making housing corporation.

B. Objective: To build FHA subsidized housing.

C. Location: 208 N. MacArthur Highway.

D. Involvement: Danage is currently engaged in building FHA subsidized homes throughout the city of Peoria.

E. Contact: Mr. Fred Danage 676–1465.

III. Monge Construction Company

A. What is it: A profit-making housing corporation.

B. Objective: To build FHA subsidized housing.

C. Location: 1500 N. 8th St., Pekin, Illinois.

D. Involvement: Monge is currently engaged in building FHA subsidized homes in the Timber Oaks sub-division in Peoria, Illinois.

E. Contact: Monge Construction Co. 346–2157 (Pekin, Ill.).

SUGGESTIONS ON BUYING A HOME

The buying of a home is probably the single biggest investment that a family will ever make.

Below are several suggestions that should be considered before buying a home.

Look at as many houses within your price range as you can before you make your final decision.

Consider the future growth of your family.

Consider re-sale value.

Make sure that you have legal counseling before signing any papers of any kind.

Make sure that any and all questions that you might have are answered to your satisfaction.

NOTE.—Any type of home buying counseling is available at the Tri-County (Peoria) Urban League or Upgrade Corp.

THOUGHTS FOR THE NEW HOMEOWNER

Budget your money! Be sure that you are able to see exactly where your money goes every day.

Pay your bills on time! Be certain to make your mortgage payment on time.

Avoid any late charges! If an emergency arises and you cannot make your mortgage payment on time, call the mortgage company and notify them.

Do not take any credit cards! Keep all bills to the bare minimum!

Pay cash for the majority of what you want! If you cannot pay cash—try not to get it; unless extremely necessary.

Even if your credit is good and you receive your loan without our financial credit assistance, we will be willing to help you by counseling you in the techniques of home maintenance, any social problems; or any economic problems that you might encounter.

TERMS TO KNOW

1. Appraisal—An estimation of value of property. This is usually done by an FHA appraiser.
2. Assets—Money and securities one owns.
3. Closing costs—Those costs associated with the sale of property.
4. Credit report—Paper which shows how well you pay your debts.
5. Deed—Legal paper showing your ownership of property.
6. Easement—The right which one person has on the land of another as outlined by written agreement.
7. Equity—The value one has in a piece of property over and above the mortgage.
8. Foreclosure—Procedure whereby the property which you are buying can be sold when you are three (3) months behind in your payment.
9. Forfeit—Something (usually money) one loses if he fails to live up to his part of an agreement.

10. Insurance—Policy to protect your property in case of loss by fire, etc.

11. Liabilities pledged to pay—Debts and other obligations one has pledged to pay.

12. Lien—A legal document which makes property security for the payment of debts or discharge of an obligation.

13. Mortgage—That document which indicates your indebtedness to the mortgage company for the balance you owe on the property.

14. Note—A signed written instrument acknowledging a debt and promising payment.

15. Quit claim deed—Deed in which a person gives any and all interest which he may have in a property to another person.

16. Title—Legal ownership of property.

KNOW YOUR HOUSING RIGHTS

Racial discrimination in the sale or rental of ALL housing is now illegal under Title VIII of the Civil Rights Act of 1968. You can be helped if because of your race, religion, color, or national origin, any of the following things happen to you:

You were denied the opportunity to buy or rent a house or apartment.

You were told a house or an apartment wasn't available when it really was.

You were offered different terms or conditions of sale or rental than someone else.

You came upon discriminatory advertising.

Block Busting—You know of someone who has caused another person to sell or rent by telling him that members of a minority group were moving into the area.

You encountered discrimination in financing housing by banks, savings and loan associations or other businesses.

If, in fact, you come upon any of the previously mentioned discriminatory practices, you have three (3) courses of action:

A. You can take your complaint directly to court

You can immediately file suit in a Federal Court. You may wish to consult an attorney or a Legal Aid Society.

The court could stop the sale of the house or the rental of an apartment to someone else.

The court could make it possible to buy or rent the housing you want.

B. Write the Federal Government for help

Send the complaint to the Department of Housing and Urban Development (HUD)

HUD can:

Contact the violator and get him to cease his discriminatory practices.

Refer your complaint to a State or local Human Relations Commission.

C. Call the Federal Government for help

A new unique feature being tried against housing discrimination is the use of Wide Area Telephone service (WATS).

If a person feels that he or she has been discriminated against in housing because of race, color, religion or national origin, he or she may call, toll free (800) 424–8590, to register their complaints.

All calls come into a central switchboard in Washington. Complaints are taken over the phone and referred to the appropriate HUD Regional Office for immediate action.

A recording device is attached to each phone that enables the caller to leave a message at night and on weekends.

The toll free number—(Area Code (800)—424–8590).

To file complaints write to:

Federal: Fair Housing, C/O Dept. of HUD (or Department of Housing and Urban Development), Washington, D.C. 20410; or

Dept. of HUD (or Department of Housing and Urban Development), C/O Office of the Regional Administrator, 360 N. Michigan Ave., Room 1500, Chicago, Ill. 60601.

Local: Fair Housing Board, C/O Room 208, City Hall, Peoria, Ill. 61605; or

Human Relations Commission, C/O City Hall, Peoria, Ill. 61605.

You may also contact the Tri-County (Peoria) Urban League:

Mr. Frank Campbell—Executive Director.

Mr. Michael S. Glass—Director of Community Services, FHA/HUD Housing Representative, 844 W. Smith St., Peoria, Ill. 61605.

My house is small—
No mansion for a millionaire—
But there is room for love
And there is room for friends
That's all I care

AMERICA 2000

A St. Louis non-profit Foundation is proud to present to the St. Louis community and the citizens a free housing counseling service for those persons interested in buying or renting a home.

America 2000, 300 South Grand—Room 225, St. Louis, Missouri 63103, Code (314) 289–2411.

America 2000 offers a housing counseling and referral service to low and moderate income persons or families who want to buy or rent a home or apartment in the St. Louis City or County area.

For your convenience, our housing counselors maintain a copy of the realtors home guide . . . which contains picture photographs and a general description of many of the homes for sale in the St. Louis area.

America 2000's qualified and experienced housing counselors will assist the purchaser in determining whether a sales price is reasonable . . . on other than FHA or VA insured properties where an appraisal is required.

Our housing counselors have complete knowledge of the various forms and procedures in purchasing a home or renting an apartment.

Our able housing counselors will advise you as to the price and size home that we feel you and your family can best afford.

Our housing counselors are qualified to explain the various responsibilities of home ownership (such as monthly payments, closing costs and operating expenses) . . . and will help you determine whether you can afford the home of your choice.

Upon request, America 2000's housing counselors will make on-site visits of your desired home before your purchase with you and your sales agent.

For those of you who may have come upon difficult times, are unable to make mortgage payments and are concerned about losing your home . . . America 2000's housing counselors can help you.

This is a free community service.

America 2000 services are complimentary to the general public . . . we do not buy, sell, lease or compete with the real estate industry . . . and we receive no fees or commissions of any kind from anyone.

Call America 2000, 289–2411.

Come to any of the area offices:

Council Plaza Complex, 300 South Grand—Room 225, 289–2411 (Monday–Thursday–Friday).

Carondelet Area Council, 7613 South Broadway, 638–8200 (Tuesdays only).

Tandy Area Council, 3500 North Gnanh, 371–1050 (Wednesdays only).

This service is free to anyone who wants to buy or rent a home.

MRS. BESSIE KIDD BEST, FLAGSTAFF, ARIZ.

Mr. FANNIN. Mr. President, Arizona has contributed many outstanding sons and daughters to the ranks of education, but surely none can surpass the remarkable career of Mrs. Bessie Kidd Best, of Flagstaff.

As noted in the April 25 edition of the Arizona Daily Sun of Flagstaff, Mrs. Best has announced that she will not seek reelection as Coconino County Superintendent of Schools, a post she has held for an amazing 44 years.

This is more than a notable achievement; it is the success story of a phenomenal career of public service.

Mrs. Best's long tenure in office is not only a tribute to her, but also a testimonial to the judgment of the voters of Coconino County, who expressed their faith and confidence in our educational system by electing and reelecting her every 2 years since 1928.

A kind and gentle lady with extraordinary ability as an administrator, Mrs. Best quietly and without fanfare set out long ago to improve the quality of education in her county, and has achieved this goal in many ways.

Through her efforts, rural school consolidation has been accomplished. This has provided for most school districts a broad tax base and a more economical educational system.

Although Indian Reservations occupy much of Coconino County, it should be pointed out that it is the second largest county in the United States, encompassing 18,562 square miles. By comparison, this is almost as large as the States of Maryland and Massachusetts combined.

Mrs. Best is very proud of the fine reputation of the schools of Coconino County, and was quoted in the Arizona Daily Sun as saying:

Good schools do not happen; people working together build them.

A native of Flagstaff and the youngest daughter of Flagstaff pioneers Judge Robert J. Kidd and Eva Miller Kidd, Mrs. Best said she plans to continue to make her home in the city of her birth and has no specific plans for retirement soon after she concludes her present term at the end of this year. Her son, Robert, and his wife, Katherine, and their son, Robert, live in Flagstaff also.

Mrs. Best extended her sincere appreciation to her many friends for their confidence and continued support through the years.

Mrs. Best said:

It has been a privilege and pleasure to serve Coconino County as county school superintendent.

Mrs. Best obtained a 2-year teaching certificate from Northern Arizona Normal School—now Northern Arizona University—in 1922 and earned a bachelor of arts degree from Arizona State College in 1936. She earned a master of arts in education degree in 1948 at the same school.

Northern Arizona University alumni honored Mrs. Best last fall with their Distinguished Citizen Award.

Former Governor Howard Pyle appointed Mrs. Best to the Arizona State Board of Education for two terms, and I had the privilege, when I was Governor, of also appointing her for another two terms.

Also at the State level, she has been secretary for the Arizona Association for Supervision and Curriculum Development and served on the State advisory certification committee, coordinating

curriculum committee. She has been president of the Arizona County School Superintendents Association and Who's Who of American Women list her in its second edition.

Mrs. Best has served on the city of Flagstaff Library Board for 23 years. Other community services include past chairman of the American Legion Auxiliary sponsored program of Girls' State for 8 years, past mother advisor for Rainbow Girls, and past board member for the Society for Crippled Children.

Since 1930 she has maintained professional affiliation with the American Association of School Administrators. She also is a member of Arizona Education Association, life member of National Education Association, Delta Kappa Gamma Sorority, of which she is past president of Gamma Chapter, Kappa Delta Pi, and life member of Parent-Teacher Association.

She has a life membership in the NAU Alumni Association. Other activities include American Legion Auxiliary, Daughters of the American Revolution, American Association of University Women, Flagstaff Woman's Club, Order of Eastern Star, Flagstaff Rebekahs and Pythian Sister. She is a past matron of the Flagstaff OES, past noble grand of the Flagstaff Rebekah Lodge, and past State officer of Pythian Sister.

A GOOD ALCOHOLISM PROGRAM

Mr. BOGGS. Mr. President, this month the oldest industrial alcoholism program in this country celebrates its 30th anniversary, and it is my privilege to bring its accomplishments to the attention of my colleagues.

I am speaking of the program established by the Du Pont Co. medical division in 1942. It was the pioneering plan in industry for the recognition and control of alcoholism among workers.

It is a simple program, one that teaches all employees to recognize alcoholism and bring it into the open, rather than to "sweep it under the carpet." It is dealt with honestly and the employee is given the solid and clear offer to have it treated both fairly and honorably.

The alcoholic worker is given every opportunity to lick his problem and he is discharged only if he is unwilling to overcome it after due consideration and with medical assistance. There is an esprit teamwork in Du Pont between an understanding and enlightened management; the medical division; a well-trained psychiatrist; and an AA worker who is knowledgeable, experienced, understanding, and dedicated.

The medical division attempts to ferret out the cases and to bring them to the fore. They are all given a satisfactory time to rectify the situation after orientation by the doctor; then they have a discussion with the adviser on alcoholism, or some member of Alcoholics Anonymous, and often by the psychiatrist as well. The amount of time given to straighten out, and whether a leave is given, will vary with the worker's age, years of service, previous opportunities given, nearness to retirement age, complications of the disease, whether these complications are permanent or temporary, the employee's attitude toward his problem and his sincerity of effort.

In the absence of medical complications, it is rare that more than 4 weeks away from work is necessary, and then only for institutional treatment. More often, no lost time from work at all is desirable. Experience has taught the company that alcoholics do better with surveillance on the job. This is the same experience noted by military psychiatrists, as well as by those experienced in rehabilitation.

The medical division has found that close cooperation with the program of Alcoholics Anonymous provides by far the best results. It also has learned from experience that, when a psychiatrist works closely with this program, the results are further enhanced. There is a full-time employee—himself a "recovered" alcoholic and a member of Alcoholics Anonymous—who works under the guidance of the psychiatrist, gives talks to plant groups and assists in the handling of these cases.

The Du Pont Co. management has been most cooperative, both in the encouragement and institution of the plan, as well as permitting the medical division to expend the time and effort needed in its implementation. All levels of management, from the president on down, have been most helpful and encouraging.

Mr. President, I believe this company should be commended for this fine program and its many achievements. The recovery of 3,000 persons who might otherwise be dropouts from society is, in itself, a great accomplishment.

Special mention should be made here of Dr. C. Anthony A'Alonzo, the Du Pont Co. corporate medical director, and of Mr. Frank Lawlor, who has worked tirelessly to make the program effective.

HARRY A. BECKER

Mr. THURMOND. Mr. President, I wish to call to the attention of my colleagues an article which appeared in the Orangeburg, S.C., Times and Democrat featuring Mr. Harry A. Becker. Mr. Becker is a man of the highest integrity, who is one of the most remarkable and respected members of his community.

A self-made man, Mr. Becker was born in Baltimore, and received his early education there. He later moved to South Carolina with his parents and while still very young started his business career by working in a general merchandise store. His experience there enabled him later to found a very successful clothing business.

Investing profits of his clothing business in the construction of prefabricated "shell" homes, Mr. Becker was the epitome of a successful businessman—until the "shell" home market collapsed in 1963, plunging Mr. Becker a half million dollars in debt.

A man of the highest integrity, Mr. Becker ignored the advice of friends to declare bankruptcy, and proceeded to recover his business and pay off all debts. Today Mr. Becker has repayed his losses and has established a reputation of good credit unequaled in his community.

Mr. Becker is deeply involved in the social and civic life of his city. His great efforts and devotion to his fellow citizens have made him an example of personal success which few can equal.

Mr. President, I ask unanimous consent that the article entitled "People Worth Knowing" which appeared in the Orangeburg, S.C., Times and Democrat on August 29, 1971, be printed in the RECORD.

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

A MAN OF INTEGRITY: OVER HALF A MILLION IN DEBTS AND LOSSES—BUT HE BOUNCED BACK

(By Frank K. Myers)

If an author sat down to write a biography and used as his subject a man who, in the prime of his life, had lost a half-a-million dollars of his own earnings and had debts amounting to several hundreds of thousands of dollars more—then in the scope of only a few years recovered and paid off almost all of his obligations and hopes to be in the clear in the immediate future, one would say he had a pretty good story.

Strange as it may seem, that has happened to an Orangeburg man—and he does not regard it as an interesting story. To him, his business recovery and the repayment of his just debts would happen to any man of integrity—but he is a man of integrity.

As the saying goes, something good comes out of everything, and it took his financial collapse in 1963 to prove, but not to himself, that he was a man of integrity. Today, his business is welcomed at any of Orangeburg's banks. The company which supplies him with building materials, although traditionally doing business on a cash on delivery basis, has extended to him a $200,000 line of credit he can use as he wishes. At least one outstanding and wealthy Orangeburger has such faith in him that he considers his handshake as binding as any promissory note.

On the walls of his office at 155 Wall, N.E., there are many plaques, photographs of very important persons, some of whom he knows or has known personally and all of whom he admires. Two of those plaques, however, tell the story of the last two years of his life.

Both were presented him by National Homes. Each attest to his membership in National Homes' Million Dollar Club. One issued in 1970 attests to the sale of $1.4 million in homes in 1969, the other to the sale of $1.9 million in homes in 1970.

Harry Arthur Becker, in whose name the plaques are made, became a builder late in life. Until 1965, in fact, he had always been engaged in the general merchandise business. He was born in Baltimore, Md., a son of the late Orkie and Fanny Becker, but moved to Elloree while he was in knee britches. He recalls that the first person he met in Elloree was the late Pres Hungerpiller, then cashier and later president of the Bank of Elloree.

He had completed his early education in Baltimore schools and soon after his arrival in South Carolina became employed by I. Berger, at that time Elloree's general merchandise mart.

Later, when he married the former Miss Sadie Bernstein of Summerville and Orangeburg, he moved to Orangeburg and they, together, opened a general merchandise store in the building on East Russell St. now occupied by the Garden City Sports Shop. They remained there about 10 years.

"Then I began thinking," Harry Becker told The Times and Democrat. "Orangeburg had no quality ladies' ready-to-wear store at the time. People were going to Columbia to shop. So we decided to open such a store. It was in the property now occupied by Friedman's Jewelers:

"I made the right connections in New York City and we introduced several of the best quality lines of women's clothing that we could find. And we had a one-price policy, too."

Becker's, as the store was known, prospered for about 20 years. Then Harry Becker sought a change. He had always liked the building construction business and at the time the "shell-type" home, in which the buyer purchases merely a "stripped" building and puts on the finishing touches himself, was selling like the proverbial hot-cakes.

After a period of outstanding success, the bottom fell out of the market all over the country. The businesses in which Harry Becker held interests suffered when banks withheld credit on a nationwide basis. Others in the business found themselves in the same fix. The half-a-million dollars he had made, plus those thousands of other dollars he had borrowed, were gone.

To a lesser man, that would have been the end. But not to Harry Becker. Despite the advice of attorneys and the pleas of friends—and even relatives—to go into bankruptcy, Harry Becker declined to even entertain the thought.

"You go into bankruptcy and you won't have anything—but you won't owe anything, they told me," he said. "If you don't go into bankruptcy, you won't have anything but you'll still owe all that money. You'll be in debt when you die."

Harry Becker never lost faith in himself. Harry Becker's friends never lost faith in him. Instead of yielding to despondency, he began the sometimes slow climb back to success.

"I'd send someone I owed $50 or $75 when I got it, and even more when I could," he said. "One of the banks threatened to sue me over a $25,000 note. I told them that if they left me alone they'd get their money back much faster than if they tied my hands with a lawsuit. They've gotten it back and I have good credit with that bank."

Harry Becker's faith in himself may stem from his faith in the church—not just the Jewish church but any church.

"There is not a single church in Orangeburg to which I haven't contributed something," he said. 'Sometimes it is for a special project, sometimes the amount I give is unrestricted as to use.

"I remember one year I returned from home from a vacation in Florida and was told that members of the Jewish community wanted to build a synagogue, or temple, but didn't have enough money. I told them I would make the largest donation of anyone if they could raise the rest. We're not a wealthy community, but we're a fine community. It would surprise the people of Orangeburg how much the non-Jewish community contributed to the temple. Peoples of all religions were more than generous and mailed in checks—even without solicitation."

And Harry Becker believes that a man's religion is strictly a personal thing.

"I don't care what church a man attends," he said. "I only worry about and distrust a man who says he doesn't believe in any church, in anything."

And Harry Becker is a humble man. He has not forgotten those financial institutions, business firms and, particularly, real friends who stood behind him during his most trying adversities and who, he says, are directly responsible for his comeback.

"I shall always remember and appreciate their help. Without them I would have been lost," he said.

He is also a compassionate man. He is the founder of a needy family fund at Christmas time. With the aid of the Police and Fire Departments, his fund has been able to distribute about 200 baskets of food to needy families of the area each Christmas season.

Describing himself as a "banker, developer, financier, builder and altruist," Harry Becker is president of King Builders Inc., Key Builders Inc., the Capital Mortgage Co., and Becker Enterprises.

In the building profession, he is a member of the advisory board of the National Homes Corp. of Lafayette, Inc.; the leader in the two Carolinas in the National Homes of Virginia Million Dollar Club, and the winner of the Master Builders Award for being the leader in Community Progress and Development in One Family Units.

He is one of the founders of Orangeburg's First Federal Savings and Loan Association and is a vice president and member of the board of directors.

A member of Temple Sinai of Orangeburg, he is also a member of Brith Sholom Beth Israel Congregation of Charleston.

In the social and civil life of the city, Harry Becker is a life member of the Orangeburg Elks Lodge and a member of the Country Club of Orangeburg. He is a former treasurer of the Greater Orangeburg Chamber of Commerce, and a former member of the board of trustees of the Orangeburg Regional Hospital.

His hobbies: "helping charitable causes and those less fortunate than I am, but not limiting my aid to religions or color."

ADDRESS BY SENATOR BEALL BEFORE MARYLAND ASSOCIATION OF JUNIOR COLLEGES

Mr. BEALL. Mr. President, on April 21, I had the pleasure of addressing the Maryland Association of Junior Colleges.

I ask unanimous consent that the text of my address be printed in the RECORD.

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

I appreciate this opportunity to be with my many community college friends this evening and I would like to talk with you about "The Community College and the Education Amendments of 1971—Partners in Pursuit of a Great National Goal".

The range and nature of education in a given nation or society results from many factors including its history its basic philosophy and its commitment. Fortunately for us, from our Founding Fathers to the present, this Nation has had a commitment to education.

It was Thomas Jefferson who first began to make the case for universal education. Mr. Jefferson felt education would provide a "community of honest, useful, and enlightened citizens, understanding their own rights, and firm in their perpetuation". The pronouncements of other Founding Fathers, such as Franklin, Washington, and John Adams, also evidenced a commitment to and a realization of the importance of education.

This outlook was written into law in the clarion call for education written in the Northwest Ordnance which says: "Religion, morality, and knowledge being essential to good government and the happiness of mankind, schools and education, shall forever be encouraged".

But even Thomas Jefferson's view of "universal education" did not include "universal higher education". In his notes on Virginia written in 1782, he writes only of the selection of the "youth of genius" or what he refers to as the "aristocracy of Intelligence", Jefferson's vision then clearly did not include the community college concept.

Most, if not all of his contemporaries, would have had similar difficulties with this concept. This limited vision, although most enlightened at that time, continued through the 18th and 19th centuries. It was not until the early 20th century that this nation's sights were lifted and then no higher than an elementary education for all children.

Finally by the middle of this century we had embraced secondary education for all children.

The history of our nation shows successive steps and advances toward education for all that far exceeds that of any nation in the history of mankind. We are and should be, proud of that record. For it is a record that reveals ever increasing numbers and percentages of our youth in schools and colleges.

For example, by 1900, 11% of the eligible youths were in high school; today, the percentage approaches 95%.

In 1900, only 4% of our college age youth attended college. Today, the figure exceeds 50%. With educators like you in the audience at work, I am convinced that this will continue in the future.

In fact, one author suggests that if the trend continues, we may anticipate a 90% enrollment of college-age youth in our institutions of higher learning during the first decade of the next century.

As you know, community colleges are aware of and are experiencing the implications of such developments and projections.

It has spelled a notable characteristic of junior colleges today, and for the foreseeable future. I am referring, of course, to the explosive growth of community colleges both nationally and here in Maryland. You will recall that in 1900 I said only 4% of our college age youth were in colleges. It is interesting to observe that at the same time there was only 8 junior colleges in the United States with a grand enrollment of 100 students. By 1971, 1100 private and public junior colleges enrolling 2.5 million students were part of our national and education landscape. In the last decade alone, the number of junior colleges doubled while a 300% increase in enrollment took place. In recent years community colleges nationally have been growing by one a week.

The Carnegie Commission on Higher Education has advanced a national goal of establishing community colleges within commuting distance of all persons by 1980, with the exception of some sparsely settled areas. To reach this goal, the Commission estimated that between 230 and 280 new colleges would be required.

Maryland's experience has been similar to that of the nation as a whole. The number of community colleges in our State in the past six years have increased by over 45% and the enrollment at the institutions has tripled. Fortunately, we in Maryland are far ahead of most of the nation toward meeting the goal of making geographical access to community colleges for all Marylanders.

47,671 credit seeking students were enrolled in Maryland's 16 community colleges in 1971. This represented a 13.2% increase over the previous year. The State's projections indicate that by 1976 the enrollment in the community colleges will be over 82,000 and by 1981, the projected size will surpass 100,000, a figure which will represent 60% of the projected first two year under-class enrollment in higher education in Maryland.

Current surveys in Maryland indicate that 93.3% of Maryland's residents live in counties served by community colleges. Thus, the Carnegie Commission's goals for tomorrow is becoming a reality in Maryland today. Only 6.7% of the State's population live in counties not presently served by community colleges. However, it has been estimated that 3,434 Maryland citizens would enroll in a community college if it were accessible. Members of this audience, I am sure, are aware of the fact that it has been found that more than half of all high school graduates intend to go to college if there is a public junior college in the community, where as one-third or less do so if there is not such an institution near by.

The community college movement is a logical extension of educational opportunities in this country. They are unique institutions built in response to community and citizen needs. They are locally controlled and operated. They are a part and vital to the community and the community is a part and vital to the college.

The community college has not been without its critics. Recently, I read an article criticizing the community colleges as offering unequal educational opportunity. By this I guess it is meant that the Harvard education is not offered at community colleges.

But, the community colleges are not and should not be watered-down versions of four year colleges. Community colleges should seek excellence. This is just as important in one type of institution as it is in another. As John Gardner, former Secretary of the Department of Health, Education, and Welfare pointed out "As things now stand the word excellence is all too often reserved for the dozen institutions which stand at the very zenith of higher education, in terms of faculty distinction, selectivity of students, and the difficulty of curriculum. In these terms, it is simply impossible to speak of junior colleges, for example, as excellent. Yet, sensible men can easily conceive of excellence in a junior college.

"The traditionist might say 'of course'; let Princeton create a junior college and one would have an institution of unquestionable excellence". That may be correct, but it leads us down precisely the wrong path. If Princeton Junior College were excellent in the sense that Princeton University is excellent, it might not be excellent in the most important way that a community college can be excellent. It would simply be a truncated version of Princeton. A comparably meaningless result would be achieved if General Motors tried to add to its line of low priced cars by marketing the front end of a Cadillac. We shall have to be more flexible than that in our concept of excellence. We must develop a point of view that permits each kind of institution to achieve excellence in terms of its own objectives. The community college then should continue to pursue excellence but it should be excellence in its own objectives.

The community college has and must continue its unequaled and critical role in the provision of universal access. Briefly, I would like to discuss with you some of the community college's roles and in some cases comment on them.

Community colleges will continue to have the major responsibility for preparing students at upper division work at universities and colleges. Course offerings should be coordinated with the University so that they will be fully transferable with as little loss of credit as possible to the student. I applaud our State's efforts to improve the articulation process. I recently examined a catalog for Montgomery Junior College and I must say that I was very impressed with the course offerings. I was particularly pleased with the examples of coordination and imagination that I believe are essential for higher education in the country.

If I read the catalog correctly, a student desiring to enter business administration, could spend two years at Montgomery Junior College. Thereafter, the student could transfer to the University of Maryland at College Park and spend another year there as part of his business administration program. The student then could enter the Maryland University Law School at Baltimore and would be given his Bachelor of Science degree in Business Administration after he completed his initial year of law school, which would represent his fourth year of business school. The student then, of course, would continue until he received his law degree.

Thus, three separate campuses have been combined to make it possible for students to secure his business and law degrees in one year less time. This is the kind of cooperation and imagination needed in education in the country. I urge all in the audience today to continue to pursue similar arrangements.

The community colleges have a major responsibility in technical and vocational education. This is an area that has been neglected in much of the Nation. Somehow, American education and educators from the elementary to the college level must quit peddling or implying the nonsense that an academic college education is the only passport to success. This is patent nonsense. I believe that Maryland is facing up to this issue. It is my understanding that vocational students now make up 30% of Maryland community college students, and within 5 years this percentage is expected to reach 50%.

However, there is some cause for alarm. The just completed "Project Focus" a study done by the American Association of Junior Colleges indicated "career education within the community college setting is experiencing difficulty" . . . and that much of the liberal arts faculty sees "little value in providing the career training option to students". This attitude makes no sense. The trend in Maryland, as well as my personal discussion with the community college Presidents and faculty, makes me believe this attitude is not prevalant in our State. John Gardner gave an analogy which I believe states the case quite well.

"There may be excellent plumbers and incompetent plumbers, excellent philosophers and incompetent philosophers, an excellent plumber is infinitely more admirable than an incompetent philosopher. The society which scorns excellence in plumbing because plumbing is a humble activity and tolerates shoddiness in philosophy because it is an exalted activity, will have neither good plumbing nor good philosophy. Neither its pipes nor its theories will hold water."

Community colleges should continue to be open-door institutions. This concept is consistent with the idea of educating our citizens to the fullest potential, gives late bloomers a second chance, and allows the retraining of adults for jobs created in an age of automation.

Junior colleges must continue to be a community college in all that name implies. The community junior college must attempt to meet the special requirements and concerns of the community and this is one of the real important developments in the junior college movement. College classes during evening hours, cooperative programs with industry, special programs for low-income groups, and special non-credit courses appealing to avocation or cultural interests are a few of the examples of good community involvement. I am pleased to note that Maryland is one of the few States providing State support for community service programs of a non-credit nature.

I have two comments in this area. Modern communications and technology are going to bring revolutionary changes in communities and colleges in the future.

Some have predicted the demise of education as we know it today. While this seems far out, the possibility of communications are indeed staggering. Take cable TV and its implications. It will now be possible to beam community college courses into homes throughout the community.

As far as the political process is concerned, cable TV may usher in the citizens participation unlike anything that the Nation has experienced since the New England Town meetings. Cable television will permit a great opportunity for imaginative local TV programs and I believe that the community colleges in many areas will be looked to for a major role in this regard. Secondly, I would like to see funds available for community colleges to enable them to focus on community problems such as unemployment, transportation, health, drug abuse, pollution, and housing, to mention a few. The American Association Junior Colleges Project Focus to which I previously referred, recommended such an effort and in fact envisioned the establishment by 1980 in community colleges a variety of quasi-permanent institutions focusing on community problems.

President Nixon in submitting his education message and proposals to the Congress made an historical pledge when he said: "No qualified student who want to go to college should be barred for lack of money. That has long been a great American goal: I propose that we achieve it now".

Since then, the Congress has been working on legislation that will become, in my judgment, another legislative milestone. When the Higher Education bill passed the Senate, I said in a floor speech, "This measure is both massive and monumental. It is not only for the moment but for the future." As you know, this legislation is now in the Conference Committee which has the difficult job of reconciling the differences between the bills as passed by the House and the Senate. The Higher Education bill, in reaching this stage of its legislative journey, had added to it a 1.5 billion dollar two-year aid to school districts to help them desegregate. School anti-busing amendments were also added to both House and Senate bills and this issue will probably be the last item resolved by the Conference Committee. To give you an idea of the complexities and the size of the task facing the Conference Committee, on which I serve, the Senate bill was over 750 pages in length and there are over 250 substantive issues that will have to be resolved by the Conference Committee before final House and Senate passage.

I would like to discuss with you some of the major issues in the Higher Education legislation and, where possible, the decisions reached by the Conference Committee thus far.

Student aid is one of the major issues facing the Conference. Both the Senate and House bills would continue the present National Defense Student Loans and the Educational Opportunity Grants. But the Senate bill in keeping with the President's commitment that no students should be barred from attending college for lack of financial resources envisions a vast increase in the direct Federal grant assistance, and would authorize a new program called "basic opportunity grants".

Under this program a student would be eligible for a grant of up to $1,400 less that amount that the student's family could reasonably be expected to contribute to the education of the student. Family contribution would be considered such as items as family income, the number of dependents, including the number of dependents in college, family and student assets and any unusual expenses, such as medical bills. Such a basic grant could not exceed 50% of the cost such as tuition, fees, rooms and board and books and other expenses deemed by the Commissioner to be related to attending school, of attending the institute.

In general, no grant will be made of less than $200 although the Committee adopted an amendment offered by me to allow grants for less than $200 under exceptional cases where it was necessary in order for a student to attend higher education.

The House bill extends the present student aid program generally with some improvements. The Conference Committee tentatively agreed on the Senate position with respect to student aid. Testimony was presented to the Congress indicating that young men and women from families in the bottom quarter of the nation economically, are

three times less likely to be in college than those in the top quarter. The Senate student aid provisions are designed to provide economically equal access to higher education. Coupled with the geographical access that community colleges are providing, these new student assistance grants will greatly expand educational opportunities in the Nation.

The second key issue before the Conference is institutional aid. Both the House and the Senate bills provide for the first time direct Federal grant to the Nation's colleges and universities to use as they see fit.

The House and Senate versions vary considerably. The Senate formula would distribute institutional aid according to the number of students receiving the basic federal grants and the number of veterans. On the other hand, the House formula allocates one-third of its institutional aid according to the amount of educational opportunity aid received by students at the various institutions and two-thirds according to total enrollment. Both the House and Senate formula are weighed so that smaller colleges get more per student than the largest universities.

Under the Senate provision, community colleges in the country and Maryland would receive two times as much funds as under the House version. For example, for each $100 million appropriated, the Senate bill would provide $32.6 million to community colleges whereas the House would provide $16.5 million. Maryland community colleges would receive $323,612 under the House formula, and $677,560 under the Senate version.

To date, no decision on institutional aid has been reached by the conference committee. It is likely that the final version will be an amalgam of the two, although it is likely that the final product will be closer to the Senate position. There has been some concern voiced with respect to the constitutionality of both bills institutional aid provisions since assistance is provided to church-related schools. The Senate believes its version, because it addresses a specific national purpose, namely, promoting equal educational opportunities, is more likely to stand a constitutional test.

There are also important items in the conference dealing with expanded educational research. It is important that an accelerated effort be made in this area. If one compared research and development expenditures in education as compared to health, defense, and other areas, one is sharply struck with the disproportionment resources that are being spent in educational research area.

The Senate bill would establish a national institute of education to do educational research and development, authorizing $25 million for the initial year, and also would authorize a national foundation for post-secondary education. The foundation will provide funds to institutions and individuals for promising experiments in higher education.

Similar to the National Science Foundation, the foundation would be authorized to spend $200 million the first year.

Another section in the Senate bill of particular interest to the community colleges is found in title X. I am referring to that section of the Senate bill which authorizes $225 million over a three year period for establishing and expanding community colleges to bring them within commuting distance of all students. Part A of this title authorizes grants to the states for the survey of post-secondary education programs and the development of statewide plans for the expansion and improvement of post-secondary education programs in community colleges. Although our state is far ahead in the planning area, this is needed by many states and I am certain that Maryland will make good use of the funds. Part B of the title provides for three types of grants to establish new community colleges, to expand existing colleges, and grants to lease facilities either for the purpose of establishing a new college or expanding existing ones.

In addition, the Senate bill raises the present setaside for junior colleges under the higher education facilities section from 23% to 24%.

This increase in the set-aside provision has been agreed to by the conference committee. Title X also authorizes a community college unit in the office of education to coordinate all programs administered by the commissioner. Our educational subcommittee has been concerned with the disproportionately small allocation of funds to community colleges by the office of education. During the fiscal year 1971, for example, we found that community colleges received less than 6% of the $4.4 billion budget administered by the office of education.

The House bill does not have a community college section but it does have an occupational educational title, also of interest to community colleges. The conferees have not resolved the community college and occupational education titles. This was the item discussed in our last conference and effort is underway to combine these provisions.

I feel confident that the conference will adopt the community college and occupational education titles. I strongly support such agreement which will help provide the needed additional resources for community colleges not only because of the need that exists but also in recognition of your solid record of accomplishment in expanding educational opportunity to young men and women in this country.

There are many other important provisions in the bill dealing with such items as women's rights, developing institutions, library assistants, communty service, teacher training, and so on. As I previously indicated, there are 250 to 275 substantive issues. We have approximately 125 issues remaining. We have met this week and have made considerable progress and are scheduled to resume our meetings next week. I cannot predict when the conferees might conclude, but there is hope expressed that agreement will be reached in the next two weeks.

I am aware of the urgency to reach agreement on this legislation so that students will know what financial assistance might be available for the fall term, and that schools might know what, if any, institutional assistance they might count on.

Mr. Adolpf A. Berle, addressing a conference of school administrators discussed the charge that our society is hypocritical. He said:

"Accusation is made that American society is hypocritical—proclaims a spate of ideals in the Declaration of Independence and the Constitution and does not live up to its profession. A good teacher, far from denying this, would at once admit its truth. But he would add something surprising. He would say that no society would be worth the price of admission if it did not proclaim ideals which were beyond its present realization. For that matter, no man ever lived up to his ideals either. If ever American society fulfills all its ideals, it would be because the ideals were outrageously low."

Setting goals beyond our reach has always been tradition of this country and of the education community. Commissioner Marland in his recent annual review of the conditions of education in the Nation referred to this process as the endless educational renaissance. He predicted that at the close of this decade America will find that their expectations in education are being made and that education had responded effectively to this public will. But he went on to say that society would be further dissatisfied with whatever gains were made and a "splendid discontent will launch us possibly into the near decade of the endless education renaissance." Our Nation was formed based on a belief that a better way of life could be found. But the spirit of America has always been regenerated by the fact that we have a program for tomorrow. The progress that you are developing in the community colleges in Maryland and the legislation that is being shaped in Congress will enable the Nation to reach *today's* national goals, but in the meantime, I am certain that national goals and sights will be raised even higher *tomorrow*. This after all is the story of America. May it always be so.

WILLIAM G. DOWD, JR.

Mr. WILLIAMS. Mr. President, it was with great sorrow that I learned of the recent death of Mr. William G. Dowd, Jr., of Elizabeth, N.J. At the time of his death Mr. Dowd was finance director of the city of Elizabeth. However, that post was only the last in a lifetime of activity in government and politics.

I think it is safe to say that Mr. Dowd was one of the most widely known, and best liked, people in Elizabeth. For me personally, he was a very special friend as it was Mr. Dowd who made it possible for me to first run for Congress.

Mr. President, I know that many, many people in Elizabeth, and throughout New Jersey, share my great sense of loss, and join me in expressing heartfelt condolences to Mr. Dowd's son and grandchildren. I ask unanimous consent that a newspaper article about Mr. Dowd be printed in the RECORD.

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

[From the Daily Journal, Elizabeth, N.J., Mar. 30, 1972]

WILLIAM G. DOWD, 66; ELIZABETH FINANCE CHIEF

William G. Dowd, Jr., 66, of 545 E. Jersey St., Elizabeth's finance director and a former Democratic state committeeman, died today in Alexian Brothers Hospital.

Mr. Dowd, one of Elizabeth's best-known and most popular residents, was admitted to the hospital Saturday suffering from a heart ailment.

During his long career in public life he served as a councilman, supervisor of municipally owned buildings, street commissioner and director of public works.

Mr. Dowd was chairman of the Union County Democratic Committee from 1952 to 1954 and a state committeeman for 14 years prior to 1969.

He was a gubernatorial appointee to the New Jersey Civil Service Commission and a former clerk of the Union County Board of Freeholders.

Born in Elizabeth, Mr. Dowd was educated in Elizabeth schools and Newark Preparatory School.

When he entered politics, at an early voting age, he followed in the footsteps of his father, the late Welfare Director William G. Dowd.

He was named to the old Third Ward seat in City Council on Jan. 1, 1931, to succeed his father, who was appointed overseer of the poor on that day.

While in council, the junior Dowd worked with the later Mayor Joseph A. Brophy in completing plans for a new city hall. He also served as council president two years, was chairman of the important finance committee and majority floor leader.

Mr. Dowd resigned his council seat in 1940 to become superintendent of city hall.

In 1950, he lost a hotly contested primary

battle in his effort to block the renomination of former Mayor James T. Kirk.

Regarded as one of the most astute political leaders in the state, Mr. Dowd was one of the earliest supporters of Sen. Harrison A. Williams Jr.

He was a member of the group who selected Williams, then a politically unknown Plainfield attorney, to run for Congress in the 1950s in the old Sixth District.

Williams went on to win and became the first Democratic congressman from the Sixth District.

Mr. Dowd also was an early supporter and personal friend of former Gov. Robert B. Meyner.

In August 1954, ten months after the dramatic Williams and Meyner victories, Mr. Dowd resigned as chairman of the Democratic County Committee.

As his reason, he pleaded a desire to devote time to business interests.

Seven years earlier, he had also astounded political friends by resigning unexpectedly as city chairman.

He had been the Elizabeth Defense Council's purchasing agent and treasurer in World War II and was designated the city property officer to receive and distribute a wide variety of defense items made available by the government during World War II.

Mr. Dowd was a communicant of St. Patrick's R. C. Church.

He was a director of the former Community Bank of Linden, treasurer of the Alexian Brothers Hospital Foundation and a member of many other organizations.

His wife, Mrs. Anne Heinkele Dowd, died last June.

Surviving are a son, William G. 3rd of Elizabeth, and two grandchildren.

The Leonard Home for Funerals, 242 W. Jersey St., has completed arrangements.

FLAGS AT HALF-STAFF

Mayor Thomas G. Dunn, today ordered all flags at public buildings lowered to half-staff until after the funeral of William G. Dowd Jr.

Of Mr. Dowd, the mayor said: "Without a doubt he was one of the most able public officials ever produced by our city and one who followed in his father's footsteps with dignity and distinction. He was certainly one of the most, if not the most, popular gentlemen ever.

"I had the honor of having him as a close friend for 25 years. The whole city mourns our great loss."

THE GENOCIDE CONVENTION: AN ANALYSIS OF SOME OPPOSITION

Mr. PROXMIRE. Mr. President, ever since I made my vow in January 1967, to speak daily on the Senate floor in favor of American ratification of the Genocide Convention, I have received a steady flow of mail on this subject. Some of the people who have written to me are opposed to ratification of the convention. They have a wide variety of arguments as to why the Senate should reject the treaty. In my daily speeches I have endeavored to show the shortcomings of these criticisms and why we should ratify the convention.

One increasingly common objection to the convention is as follows: The Genocide Convention is written in such a way that it does not apply to Communist nations. Why would they ratify it unless they knew it would never affect them? However, if the United States ratifies the treaty we will be bound by it because we always follow our treaty commitments. Therefore, we should not ratify the convention. The United States should not be party to a treaty that limits our actions, but not the actions of Communist nations.

Mr. President, I do not want at this time to enter into a discussion of whether or not the Communist nations that have ratified the convention, and not all of them have, will live up to their treaty obligations. Neither do I wish to speak on America's record for upholding the treaties it has made; although I am sure there are many American Indians who would like to say something on this subject. Rather I would like to address myself to the implications of the above-stated argument.

By ratifying the Genocide Convention, a nation pledges itself to take action, in accordance with its constitution, to see that acts of genocide do not occur within its borders. The above argument implies that Communist countries are able to commit acts of genocide even though they have ratified the convention. If the United States ratifies the convention we will not be able to commit acts of genocide. Since the Communists can commit genocide, we should be able to do so also.

I do not know if those persons who advance the above argument are aware of the implications which I have outlined. But I think this shows the absurd arguments that some people will use to try and defeat American ratification of the convention. The argument that the United States should not try to stop genocide, because some other nation, whoever that nation may be, is not going to take similar action is totaly irrelevant.

Action or lack of action on the part of any nation should not influence our ratification of the convention. The convention should be considered on its own merits, or whether or not it is in our best interests. The United States should ratify the Genocide Convention. Such action would put us on record as opposed to this horrible crime. Then, swift enactment of the necessary implementing legislation, S. 3182, would give the convention effect within the United States. American courts would enforce the provisions of the law with respect to American citizens.

If it is the case that some nations are not living up to their treaty obligations, we will have a greater chance of rectifying that situation if we are party to the convention than if we are not. The United States was once a leader in the movement to prevent the occurrence of genocide. By ratifying the Genocide Convention we can once again be in a position to reassume that leadership.

Mr. President, I call upon the Senate to ratify the Genocide Convention without delay.

FDA RECALLS IMPORTED DINNERWARE

Mr. SCHWEIKER. Mr. President, last week the Food and Drug Administration ordered the recall of approximately 13,000 dozen pieces of imported stoneware and enamelware which have been found to contain dangerous amounts of lead and cadmium.

The articles recalled were manufactured by Ceramano-Keramik, of West Germany, and Ishikawa, of Tokyo, Japan. The West German articles were found to contain 100 parts per million of lead with some samples being as high as 307 parts per million, or nearly 44 times the present FDA standard for lead which may be released from dinnerware.

The Japanese articles were found to contain as much as 100 times the level of cadmium considered to be safe under present standards.

While much of this dinnerware is still on the market and can be recalled with relative ease, several thousand sets of this dinnerware have been sold and are currently in the homes of consumers who may not be aware of the potential hazard which these items present.

This is exactly the situation I had in mind when I introduced my bill to amend the Federal Food, Drug, and Cosmetic Act to regulate the amounts of lead and cadmium which may be released from glazed ceramic or enamel dinnerware, S. 3136. My bill was introduced in February 1972, and is identical to a bill introduced in the House by Congressman FRANK HORTON, of New York.

My bill would cover virtually all dinnerware products made in the United States and all imports. On the whole, the domestic dinnerware industry is producing safe dinnerware, earthenware, and stoneware products.

In the 1930's the U.S. Potters Association became concerned about this problem. In 1969 the potters and FDA agreed to standards governing the release of lead and cadmium in the foods from dinnerware. At the present time, less than one part per million lead is released into food by most products made by legitimate manufacturers. The Potters Association tests the goods, issues seals of compliance, and submits reports to the FDA.

As this recent FDA recall clearly indicates, the problem is that many marginal pottery shops and foreign producers are not subject to the tests. My bill will enlarge the FDA authority in several important ways:

The bill would allow the FDA to get into this problem at the manufacturing stage, before the articles have been released into the market.

The present legislation limits FDA involvement to the time when such products are in interstate commerce, and my bill would broaden the definition of interstate commerce to include situations affecting interstate commerce.

S. 3136 would add new labling requirements for dinnerware which would facilitate identification of recalled articles by the consumer.

This most recent incident involving dinnerware containing dangerous levels of lead and cadmium clearly underscores the need for prompt action on legislation to permit the Food and Drug Administration to regulate dinnerware before it is offered for sale and before it can be taken into the home of the consumer. S. 3165 would eliminate this danger, and I believe that the need for the passage of such legislation is clearly indicated.

THE PRESIDENT'S SPEECH ON VIETNAM

Mr. TUNNEY. Mr. President, the President last night attempted to mislead the American people. While lauding his administration's policy of decreasing American ground troops in Vietnam, he decided simultaneously to reaffirm his commitment to massive air and naval power.

He told the people that only 69,000 American ground troops would remain in Vietnam as of Monday, May 1. He did not admit to the American people that the number of American B–52 bombers in Vietnam will have tripled since January 1972.

He told the people that only 49,000 American ground troops would remain in Vietnam as of July 1. He did not admit to the American people that the American naval involvement in Vietnam has more than doubled since January; that four aircraft carriers are currently operating off the coast of Vietnam with a fifth reportedly on the way; and that American naval involvement is greater now than at any time since the war first began.

His conception of winding down the war is a strange one. It is more akin to expansion.

In fact, a number of his concepts are strange ones. He calls the border between the North and South Vietnam an "international border." Yet it is clearly not an international border. It is the line which separates combatants in what has always been essentially a revolutionary war—despite the attempt of great powers to alter the nature of that war and make it an international conflict.

He calls South Vietnam an "independent nation." Yet it is one part of a divided country.

The President clearly operates from faulty premises. When the Chief Executive believes that a temporary border is an "international border"; when he believes that part of a divided country is an "independent country," it is likely that fallacious conclusions will be the result.

And, Mr. President, fallacious conclusions are the result. Instead of steadfastly working toward a peace that will work, the President pursues terms that are unrealistic. Instead of ending the war, he continues the bombing.

Perhaps the most tragic element of the President's statement is his concept of "a new structure of peace." For his new structure of peace is a structure of peace built upon war. It is a structure with no foundation. It is one that is destined to crumble before it has been constructed, and it is one which calls into question any real and lasting concept of a genuine peace.

I cannot really believe that the President of the United States can, after years of experience and after the American people has made its will so clear, continue to pursue the dogged course he has selected—a course that believes in military victory; a course that is willing to expend more American lives; a course that does not serve American interests.

That course must be changed. And I encourage all Americans to continue to tell President Nixon that his way will not work.

SENATOR PERCY SPEAKS ON HOUSING PROGRAMS

Mr. PACKWOOD. Mr. President, the distinguished senior Senator from Illinois (Mr. PERCY) yesterday delivered an exceptionally penetrating analysis of the problems plaguing two of our major housing subsidy programs for lower income families, the section 235 homeownership program and the section 236 rental and cooperative housing program.

Not only did the Senator ably document the faults in the administration of these programs, but he also offered specific concrete proposals for reform in the programs which deserve the careful attention of all Members of this body.

I ask unanimous consent that the text of the Senator's address before the annual convention of the National Association of Building Manufacturers be printed in the RECORD.

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

ADDRESS BY SENATOR CHARLES H. PERCY

I am pleased to be here today. I welcome this opportunity to discuss with you our nation's housing programs.

Ralph Nader recently said that housing quality will become the number one consumer issue of this decade. Housing issues will be in the 1970's what automobile issues were in the 1960's.

John Herbers of the *New York Times*, the author of a brilliant series of articles on housing over the last several months, wrote not long ago that many authorities believe the controversy over national housing policy "will become more widespread and heated than that surrounding public welfare in recent years."

No less an expert than George Romney, the Secretary of Housing and Urban Development, said in an address before the Detroit Economic Club, "We have made mistakes in the design and administration of the programs that were proposed to alleviate human suffering. I acknowledge with deep regret the things that have gone wrong with our housing subsidy programs."

The controversy has been fueled over the past several months by revelations of gross mismanagement as well as widespread fraud and corruption in some housing programs. Charges of wrongdoing have culminated in numerous grand jury indictments in many cities across the country; not the least of these were in New York City, where some 500 indictments were handed down, including some against officials of the widely respected firm of Dun and Bradstreet.

At the heart of this controversy, as indicated by Secretary Romney, are two housing programs which were added to the National Housing Act in 1968. These are the so-called interest subsidy programs; Section 235, Homeownership for Lower Income Families, and Section 236, Rental and Cooperative Housing for lower income families. Under both of these programs, the Secretary of Housing and Urban Development is authorized to make payments to mortgagees to reduce the amount of interest a homeowner or building owner must pay on his mortgage.

Critics charge that the price we must pay in tax dollars for these programs is too great for the benefits to be gained. The ultimate consumer—the homeowner or the renter—is too frequently receiving a low quality product which may not last the life of the insured and subsidized mortgage. Moreover, HUD may soon become the nation's biggest slumlord because of the increasing number of abandonments, defaults and foreclosures under the interest subsidy programs.

Criticism of the implementation of these programs is justified. No one can deny the body of evidence compiled by congressional committees, enterprising newspaper reporters, the United States Civil Rights Commission and HUD's own auditors. And I shall return to this body of evidence in a moment.

But I think the criticism must be put in perspective. I agree with the expert analysis provided for the House Banking and Currency Committee by an impartial authority: "The existing subsidy system is geared toward providing decent shelter at prices lower income families can afford under reasonably equitable conditions. By and large it is capable of achieving this purpose at public costs which are high but not unreasonable."

Measured in terms of number of units produced, the interest subsidy programs are successful. In 1971, 440,000, or 21 percent, of all conventional home construction starts were subsidized housing.

Measured in terms of low-income families served and in terms of minority participation, the programs also have been successful. By the end of 1971, 276,000 units had been insured under the 235 program. This means quite simply that 276,000 low income families, or approximately 1.5 million people—many of them blacks or Spanish-speaking Americans—are enjoying the fruits of homeownership who might otherwise not have had that opportunity.

And measured in terms of quality of most of the housing the programs have been successful. Almost all families living in 235 homes or 236 apartments are living in better homes than they previously had lived in. This is the conclusion not only of the HUD auditors who have evaluated these programs, but also of the Civil Rights Commission in its report of last June on the 235 program.

But the successes of the 235 and 236 programs cannot excuse the well-documented abuses in these programs. I cannot emphasize too strongly, however, that the abuses found in these programs are also present in other Federal Housing Administration programs, especially those which serve the inner city.

Some critics charge that 235 and 236 are part and parcel of the abandonment and foreclosure cycle now evident in such cities as Detroit and St. Louis. But I want to point out, however, that foreclosures of mortgages insured under 235 number only about 7,000 of the 276,000 which have been endorsed. This is still too many, but the rate is far higher for the unsubsidized program of mortgage insurance for low- and moderate-income families in central cities. Multifamily dwellings constructed under the below-market-interest-rate program are in more difficulty—or at least as much difficulty—as those insured under Section 236.

The point I want to draw very sharply is this: The interest subsidy programs have provided many families with decent housing. Fraud and corruption and other abuses exist in these programs and certainly must be rooted out. They also exist in other FHA programs as well, and must be rooted out there as well.

But to kill these programs now, as has been seriously suggested by so distinguished a member of Congress as the Chairman of the House Banking Committee, Wright Patman, would seriously cripple our efforts to meet the housing needs of this nation. The Senate, I am happy to note, overwhelmingly endorsed the continuation of these programs with the passage of the 1972 Housing Act in early March.

I want to review with you now the most serious problems of the 235 and 236 programs, their causes, and some remedies.

Auditors from the Housing and Urban Development Department inspected a sample

of over 1,200 new and existing houses insured under Section 235. About a third of these houses were found to have serious problems. Deficiencies were noted in 25.7 percent of the new houses inspected and in 42.7 percent of the used houses inspected. Fully 53 percent of the inner-city existing homes inspected were found to have deficiencies. In the judgment of the auditors, 35 used houses inspected had problems severe enough that the houses *should never have been insured.*

The litany of deficiencies is truly astounding. The inspectors found examples of the following in new houses:

A drain pipe from the kitchen and bath leaking, result in water standing under the House at the point of the leak;

A sheet-rock ceiling in a den sagging in several places;

Two to six inches of water standing in crawl space due to poor drainage;

Cracking in a garage slab floor extending into the house slab floor;

No attic ventilation;

A wing wall settling and separating from the main part of the house;

Severe settling of concrete porch steps resulting in their separating from the porch;

No hand rails on porches;

Drainage problem because of improper lot grading.

And on and on.

In the case of used homes, inspectors found examples of the following deficiencies:

A house requiring complete rewiring;

Walls cracked throughout a house;

Ceiling tile falling down;

Paneling loose on all walls;

A rotting sub-floor and joists under the bathroom and utility areas;

An exterior foundation base cracked in several places, with the ground eroded significantly away from foundation in rear;

Roof leaks into three upstairs bedrooms;

Rotten and broken gutters and downspout;

Water in the basement due to leaky foundation walls in very poor condition;

Bricks loose and coming out of the walls.

And on and on.

In a masterful bit of understatement, the HUD auditors concluded: "In our opinion, too many houses—particularly used houses—were insured which contained deficiencies that should have been corrected prior to final endorsement." The end result of this process, as the auditors rightly point out, is that "many unsophisticated buyers of older inner-city housing"—and, it should be added, of newly-constructed suburban development houses as well—"have not been fairly treated."

To put the matter simply, the low-income consumer is taking it in the neck. And in many cases he is at a loss about how to deal with his situation. Understandably enough, frustration, abandonment, default, and foreclosure sometimes follow.

Why has this situation developed? Secretary Romney accurately points out that the Section 235 program opened a vast new housing market in both the inner city and the suburbs. Into this market, says the Secretary, "moved a group of fast-buck artists: speculators, unscrupulous developers, and purveyors of poor workmanship."

Perhaps Mr. Romney had in mind something like the scandal in FHA programs in New York City. According to the New York Times, "The scheme allegedly involved procurement of false credit records and false appraisals, which were then used to obtain FHA insurance for unduly high mortgages on rundown, overpriced one-to-four family houses in Brooklyn. The houses were sold to low-income families.

"Real estate speculators, brokers, lawyers, appraisers and bribed FHA employees conspired in the scheme."

At a minimum, unscrupulous speculators and builders have been willing to peddle defective homes at inflated prices to a large new class of inexperienced and unsophisticated buyers. In some cases speculators—after making cosmetic repairs on existing properties—are selling the properties to low-income buyers for profits of as much as 60 or 70 percent in three months. There are even manuals being published to tell you how to bilk the public and do it within the letter, if not the spirit, of the law.

I cannot condemn too strongly those members of the private sector—builders and developers, real estate speculators and brokers, mortgage bankers and fee appraisers—all of whom have wantonly and deliberately set out on a course of making an easy dollar by defrauding the poor and rifling the public treasury. This conspiracy against the poor and the public is a cancer in our free enterprise system which must be ruthlessly cut away by men of good will in both public and private life. I hope the members of the National Association of Building Manufacturers will join me in this effort.

Another serious problem I want to discuss is one which has been amply documented by the U.S. Civil Rights Commission. Allow me to quote from the Commission's study of the 235 program:

"Most new 235 units are being located in suburban areas and are being purchased largely by white buyers, while most existing units are being located in inner-city ghetto areas or 'changing' neighborhoods and are being purchased largely by minority buyers. In those cases where minority 235 buyers are purchasing new suburban housing, it is usually located in subdivisions reserved exclusively for them."

I see evidence of this pattern in my home state of Illinois. In the suburb of Chicago Heights, a substantial number of homes in two subdivisions have been sold with mortgages insured under Section 235. One of these, Appletree, is almost totally white; the other, Forest Heights, is almost totally black.

In a devastating series of articles about shoddy construction in the Forest Heights subdivision, the *Chicago Daily News* has reported that 52 of the 270 homes built in the last two years are now boarded up and abandoned. This finding lends support to the suggestion by John Herbers of the *New York Times* that we may be witnessing the development of suburban slums because of the volatile mix of low-income families, poorly trained for home ownership, with new homes that have serious construction faults.

Again I must ask: Why has this happened? I think part of the blame for the abuses in the 235 program can be placed squarely on FHA and HUD, as Secretary Romney has said. The program has been miserably mismanaged almost from the very start.

The HUD audit clearly points in this direction, as do virtually all other informed observers.

The work of FHA appraisers has been inadequate and their appraisals have been defective in many respects.

The supervision, control, and review of the work of FHA appraisers by middle management has been insufficient.

Property standards are lax.

Reported violations and irregularities in the 235 program have not been followed up. Complaints by mortgagors have not been handled properly.

The auditors trace these examples of mismanagement to three sources—the attitudes of HUD–FHA personnel, the excessive emphasis on quantity versus quality in FHA appraisals and inspections, and the absence of effective supervision and review of the work of FHA appraisers.

The message is simple: FHA has adhered to an outmoded concept of *caveat emptor*—let the buyer beware—and an outdated policy of passive noninvolvement in the homebuying process. This has occured at a time when fresh ideas and a new sense of responsibility to the consumer were called for.

The *Wall Street Journal* scolded Congress editorially not long ago for entrusting the Section 235 program to FHA, which it called "a suburban-oriented agency that knew little about the poor and less about old housing." The editorial continued this way:

"By leaving the programs to operate virtually unregulated at the whim of private interests—the real estate brokers, the mortgage companies, the marginal repairmen—the FHA opened the door for enormous abuses. Unlike the more educated middle-income buyer, the poor desperately needed counseling and a public agency to protect their interests."

The unfortunate aspect of this situation is that many of us in Congress perceived this very possibility in 1966, 1967, and 1968. My bill to establish a home ownership program called for establishing an essentially private but publicly supported National Home Ownership Foundation to run the program. FHA has had virtually no experience in this low income field. In an analysis of the legislation for the Senate Banking, Housing and Urban Affairs Committee, I wrote, "FHA, which is an insurance agency, displays a striking reluctance to insure mortgages for low income people."

As the late Charles Abrams, the distinguished urban planner, had observed:

"The feeling is that these agencies must be self-supporting . . . Efforts to bring these agencies within the framework of the generous dedication of the Housing Act of 1949 (a decent home and a decent environment for every American family) or to make them a tool for improving slum life, instead of a tool of the private building and lending enterprises, have never gotten very far."

At a later point in the same analysis I wrote, "FHA has not spoken to lower income housing needs, and, given human nature, probably never will. A private sector institution established expressly for the purpose of assisting lower income families to become homeowners, and over the policies of which local organizations concerned with this problem have some control, would afford a much more responsive tool."

At one point during the hearings on the National Home Onwership Foundation, when witnesses were arguing for organizational neatness by putting the new program under FHA and HUD, I said on the record: 'I'll bet everything I know about human nature that you can try to regulate, rerun, and redirect an existing agency, and try to do their job for them—and fail."

That is one bet I wish I had not won.

But what can we do now to improve the existing homeownership program? The goals of this program are as worthy as ever and its potential benefits for the individual and the society are as great as ever. But what are we to do for the home owner who has suffered past abuses because of FHA laxity? And what are we to do to prevent similar things from happening in the future?

Secretary Romney has already moved to implement many administrative reforms and he is to be commended for the straightforward way he is dealing with these problems. Much more needs to be done, however.

The Section 518 program, which establishes HUD's liability for defects in new and existing housing needs to be expanded and strengthened. I see no reason why the purchaser of an existing home under any FHA program should not have the same guarantees about the quality of housing as does the purchaser of a new home. I propose a five-year term of liability for both new and used homes. I propose to allow present holders of mortgages on defective homes purchased under any FHA programs to submit applications for relief for a six-month period,

no matter when the homes were purchased.

If FHA carries out the letter of the law and sees to it that a quality product meeting all state and local code requirements is delivered to the consumer, then Section 518 never need be utilized. And it seems to me that this can be accomplished if the Secretary will only demand the same high standard of houses approved for insurance under FHA programs that he imposes on HUD acquired properties which are rehabilitated for resale. There is no justification for the present widely-differing sets of standards.

In essence, what I am calling for is a complete restructuring of FHA into a consumer-oriented housing agency dedicated to providing quality housing and other supporting social services for low-and-moderate-income families. FHA must utilize existing authority and Congress must supply the necessary funds to activate a wide range of pre- and post-purchase counselling and training programs for the unsophisticated buyer. For several years, I have been advocating full funding for the counselling programs authorized in 1968, but all we have now are inadequate voluntary efforts.

FHA must utilize existing authority and come to Congress for any additional authority it may need to intervene actively in the selling process.

FHA must see to it that speculators and unscrupulous real estate brokers are eliminated from the subsidized housing market.

FHA must see to it that potential homebuyers are shown all available properties and that all relevant information about these properties is fully disclosed to the prospective purchaser.

FHA and HUD should carry decentralization to its logical conclusion, following the advice of the Civil Rights Commission, and set up neighborhood offices to serve as sources of information and assistance concerning the interest subsidy programs.

FHA's concern with the home buyer cannot end with final endorsement. FHA must commission and pay for regular inspections of both new and existing homes purchased under Section 235 and other FHA programs to assist the consumer in spotting and dealing with routine problems of repair and maintenance. FHA should consider setting up a maintenance and repair fund for low-income families.

If FHA cannot or will not accomplish these objectives, then Congress must give consideration to separating the interest subsidy programs from the traditional ones and putting them into a new agency. Perhaps only in this way will Congress' purposes be achieved.

Allow me to turn now to the Section 236 program.

Multifamily rental properties built under this program have shown many of the same defects in construction that have plagued 235 homes. In addition, some of the "packagers" and contractors undertaking these projects were motivated by the substantial fee involved. So much money has been lost in the cycle of excessive fees, unwarranted land markups, and the failure of FHA to stop fraudulent practices that mortgages are inflated, increasing not only the rental cost per unit but HUD's long-term liability for interest subsidy payments.

HUD auditors found in city after city that Section 236 market rents were disproportionately higher than comparably sized and located conventional units. For example, 93 percent of the rents for one-bedroom apartments in conventional projects were lower than rents for comparable units in the Section 236 projects reviewed. The same held true for 59 percent of the rents for three-bedroom apartments.

One result of these inflated rents is that in many locations some low-income tenants are spending up to two-thirds of their income on rent. The average tenant is paying 34 percent of his income for rent. Congress' goal was 25 percent.

Once again, the consumer is taking it on the chin.

And they are also suffering because many of these properties are apparently located next to junkyards and factories, under power lines, in former lake beds and far from community services. Because of poor site selection—and I include here the overabundance of projects being located in suburban areas where the need is not as great as in the central cities—many projects have a high vacancy rate and are either in default of their mortgage payments or in financial trouble.

We also hear a lot about the benefits accorded to investors in 236 properties under the Tax Reform Act of 1969. In some cases, high income investors are attracted by the tax savings offered by accelerated depreciation and have little interest in the long-term viability of the projects.

In short, builders and developers are making quick profits, high-income investors are getting lucrative tax write-offs, the consumer is receiving poorly-constructed housing at inflated costs—and the taxpayer is footing the bill.

I believe that the Congress know that to harness the powerful forces of the private sector to help meet national housing needs, we had to offer some very special inducements. I daresay these inducements have been successful, measured in terms of housing starts.

I believe the Congress also was aware of the potential cost of these programs in the form of direct subsidies and indirect tax write-offs. But we were willing to pay this price if it resulted in quality housing at reasonable costs to low-income families.

The evidence suggests that the goal has not been achieved in all cases. It has not been achieved principally because of the failure of FHA to take affirmative action to achieve this goal. Congress did not intend for FHA to pursue quantity production of housing units at the expense of quality and the long-term viability of these projects.

What can be done to rid this program of abuses? FHA has the responsibility to assume the perspective of the consumer. It must eliminate unreasonable construction and development costs, and at the same time impose the highest standards of quality. It must actively seek out and train organizations to sponsor and maintain 236 projects. It must come to the Congress for additional authority or program amendments so that the goals of the legislation can be obtained.

But you in the National Association of Building Manufacturers and your colleagues in the housing industry throughout the nation have a responsibility as well. If, in your professional capacity, you wish to reap the benefits of public programs, then in your professional capacity you must become the advocate of the consumer. You must actively police your own industry and rid it of unscrupulous operators and fast-back artists who are out to make a killing at the expense of the low-income consumer and the public at large.

We all share the responsibility to make these programs work to achieve the ultimate goal of a decent home in a decent environment for all Americans.

PRESIDENT NIXON'S ANNOUNCEMENT ON VIETNAM

Mr. KENNEDY. Mr. President, stripped of the resort to obsolete cold war rhetoric and the appalling invocation of the discredited domino theory, two points stand out in the President's announcement on Vietnam last night.

First, it is impossible to ignore the cruel simple fact that the awful toll of death and devastation is continuing undiminished in Indochina. The President's timetable for Vietnamization and the withdrawal of American troops is a timetable for war, not a timetable for peace. I condemn the invasion from the North, just as I have condemned all the other killing that has gone on so long in Indochina. What possible satisfaction can any of us take in this continuing wanton test of Vietnamization, a test that is costing the lives of thousands of soldiers and civilians? Those are not toy soldiers dying on the battlefield, but real human beings. Their daily sacrifice of life is an unconscionable price for any nation to demand in an effort to vindicate its policy.

Second, although the President has now recognized his mistake in walking off the job at the peace table in Paris last month, we must also recognize that it is not enough for the United States to return to Paris, if all we do is fill our empty seat. If that is the limit of our vision, then we have failed our responsibility to seek a realistic negotiated settlement of the war.

The most glaring omission in the President's announcement was the total absence of any indication that he is prepared to make a genuine compromise in the negotiations. The eight-point offer we heard last January is no more than a transparent plan to guarantee the survival of President Thieu in office, a plan that can never be the basis for peace in Indochina.

The ink on the rigged results of President Thieu's uncontested election last October is hardly dry. How can the President propose another rigged election for President Thieu as the only path he is willing to pursue in Paris? When will President Nixon realize that he can no more insure the reelection of President Thieu than he can insure his own reelection by his actions on the war? How long will the lives of American troops, how long will the lives of the people of Indochina, how long will the American prisoners of war be held hostage to the survival of President Thieu?

The President says he will never surrender to the enemy, but neither will Hanoi. The sooner we accept that fact, the sooner we will be on the road to a realistic compromise and negotiated settlement in Paris, the only road that leads to peace in Indochina. Until the President accepts this simple fact, it will be the responsibility of Congress to seek to end the war by legislative means.

ANNIVERSARY OF CIVIL RIGHTS ACT OF 1968

Mr. BROOKE. Mr. President, this month marks the fourth anniversary of the enactment of title VIII, the fair housing section of the Civil Rights Act of 1968.

Secretary George Romney of the Department of Housing and Urban Development announced earlier the scheduling of commemorative events throughout this month to celebrate the anniversary of that historic enactment.

As one who assisted in the drafting of the adopted language, I have had occasion to follow closely the development of

administrative rulings drawn pursuant to that statute and the relevant case law. In my opinion, Secretary Romney and his Assistant Secretary for Equal Opportunity, Samuel J. Simmons, have captured the spirit and intent of title VIII. They have initiated and instituted a host of new policies in this important area.

In a recent speech before the 41st Annual Convention of the National Housing Conference, Assistant Secretary Simmons outlined their policies and progress to date.

While pride can be taken in the institutional changes made so far, he rightfully recognized that only a beginning has been made. We cannot rest until equal housing opportunity for all Americans is as real as the dual housing market that continues to persist today. There are few instances more fundamental and important to this Nation's domestic growth than the clear-cut need for fair housing choices. I firmly believe that the long-range solutions to employment discrimination and the denial of equal educational opportunities lie in the dissolution of discriminatory housing patterns.

On this important anniversary, let us renew our commitment to the bringing about of fundamental changes in our housing policies. While we take heart from the Department's leadership, let us resolve to complete the task.

Mr. President, I ask unanimous consent that Secretary Simmons' speech to the National Housing Conference be printed in the RECORD.

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

REMARKS BY SAMUEL J. SIMMONS, ASSISTANT SECRETARY FOR EQUAL OPPORTUNITY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

I'm delighted to be here this afternoon. The National Housing Conference is an extraordinary organization, and it is for me, as with any HUD official, a singular privilege to address your annual convention. Being among old friends, I welcome it as an occasion to be expansive if not evangelic; an occasion to be candid yet circumspect.

Three years ago this month I addressed, briefly, your convention as a member of the new HUD team. Then, as now, I offered no grand schemes or magic potions for achieving those social and human objectives which we subsume under the shibboleth "equal opportunity." For even before joining the Department, my experience in this field had long since made me chary of easy panaceas, of "freedom now" formulas.

Progress here, as best we can measure it, is as elusive as the search for cancer's cure. And, it is no less important. In this quest, there is trial. There is error. There is probing, testing, unrelenting pressure at bigotry's door, and short but firm steps toward one's immediate objective while not losing sight of long-range goals. There is coalition-building, litigation, technical assistance, public relations and regulation promulgation.

But, our game plan is not ad hoc nor helter-skelter. There is a common thread—institutional change—which has linked our major efforts since March 1969 to purge discrimination in each and every phase of the marketing of shelter in this nation, to expand the choice for minority Americans of housing locations in all price ranges throughout urban, suburban and rural communities, and to increase their participation in the economic benefits that flow from HUD programs.

First, in housing. What have we done? What are we doing? Where do we wish to be—say, five years from today? You deserve, I suspect, a blow-by-blow description which time does not allow. So, let me just touch the high spots.

Our office customarily defines its objective, under existing statutes and executive orders dealing with equal housing, as one of seeing to it that minority group Americans have the same housing options as all other Americans of similar economic means. To achieve this, we have taken dead aim at dismantling the dual housing system that underpins the perpetuation of racial and ethnic residential segregation.

Many Americans are unaware that a dual housing system exists. Many feel that as a result of recent legal breakthroughs, including the passage of the Federal fair housing Act in 1968, that there is little residual housing discrimination in this country. By that they mean, but do not say, that a minority family with lots of money, a thick skin and legal savvy can live just about anywhere it chooses. That may be true, but it is really irrelevant if our aim is effective housing choice.

For the fact remains that in cities and small towns alike the white family seeks and acquires housing through competing in one housing market, while the nonwhite family of similar income competes in another. Under this dual system, the minority family pays more for less shelter. The minority person sufficiently motivated to compete "in the white market" is frequently confronted by overt degrading race and religious discrimination. And when he is not, he is met by a wide variety of subtle marketing tactics that are just as effective in frustrating any competition for decent shelter across racial lines. Brokers, lenders, developers, apartment managers, appraisers—all participate as "gatekeepers" in the maintenance of a subhousing market for minority families.

The 1970 Census returns now tell us how effective the dual housing system is in reinforcing segregated residential patterns. Central cities are losing whites and gaining blacks. In spite of a gradual increase in the number of blacks and other minorities in the suburbs, the fact of the white noose around the country's largest cities is a largely unchanged reality. And within the central city, an average black family will reside in a census tract that is 80 percent or more black.

To break this web, there is no substitute for forceful law enforcement. President Nixon called upon this Department to develop a wide-ranging law enforcement program in concert with the Department of Justice in his June 11 Statement on the subject last year. And we are pleased, but not satisfied, with what we have accomplished under the Federal fair housing law—a statute which will be four years old next month.

Through conciliation (HUD's major weapon under the law) we have seen literally thousands of units made available to minority group Americans in the last six months alone that were not available to them before;

By establishing the principle under the law of monetary compensation to victims of discrimination, we have succeeded in placing an economic price on bigotry; and

In requiring those who violate the law to engage in systematic affirmative reform of their business practices, we have succeeded in turning the redressing of individual complaints into "institutional change."

To carry out these responsibilities, we have assembled and trained a capable staff in Washington and in our ten regional offices to deal with complaints under the fair housing law.

The Department of Justice has been pressing the fair housing law in court. Again, it has been very successful. It has brought more than 100 cases to court and has yet to lose one.

Law enforcement is indispensable in changing institutional patterns and practices that make up the dual housing system, but we realize that provable housing discrimination represents only the tip of the iceberg.

The fair housing law also calls for "affirmative action" to help achieve equal housing opportunity throughout the nation.

The President in his June 11 Statement spelled out the components of this program:

Appropriate equal housing opportunity criteria for participation in programs affecting housing;

The development of information programs;

The development of policies relating to housing marketing practices.

We have now taken steps to fulfill this mandate.

First, with respect to criteria:

Community development programs, such as urban renewal, open space, new communities and water and sewer must be part of a comprehensive plan which expands low and moderate income on a non-discriminatory basis;

Respecting water and sewer grants, HUD has been guided since July 1, 1971, by a project selection system pursuant to which points are awarded not only for such fundamental factors as health and need, but also on the basis of whether or not housing in the area is accessible on a non-discriminatory basis. And more recently, we have published for comment new application procedures which would favor proposals for other community development programs from communities in which there has been a non-discriminatory expansion of the supply of low- and moderate-income housing or which have a realistic plan to expand the supply of such housing outside low-income or minority areas.

Respecting HUD-assisted housing programs, project selection criteria effective February 7, 1972, (a) will favor developments which provide low-income families with options outside areas of low-income or minority concentration, (b) will require that the developers of such housing are in compliance with applicable Federal laws and regulations relating to non-discrimination, and (c) will award "brownie points" for proposals which are part of a larger plan to provide training, business and employment opportunities for low-income and minority groups.

Secondly, with respect to *information programs*, three major steps have been taken:

Last summer we launched our second major advertising campaign in three years to tell people that HUD can help them open doors that are closed to them because of discrimination. This multi-media campaign, started in a two-month test in our Philadelphia region, now covers the eastern half of the nation. The campaign highlights the opportunity to call HUD toll-free from anywhere east of the Mississippi to register a fair housing complaint. Eventually it will go nationwide.

Complementing this campaign is the requirement, effective two weeks ago, that in every realty office in the country, in every model dwelling at a subdivision tract and in every other place of business where dwellings are offered for sale or rental, there must be on display a poster proclaiming the Federal ban on discrimination in housing. Two months from now, a similar requirement will apply to all lending institutions.

As a result of a two-year development contract with HUD, Prentice-Hall is now publishing the first comprehensive reporting service in the field of "equal housing opportunity." This service provides current laws, court and administrative decisions, regulations and other relevant information in this field. Many of you here, I trust, will have access to this publication which can serve both to keep you abreast of minimum legal standards as well as act as a guide to programs that you can use in your own work to expand housing options to low-income and minority families.

Finally, we have taken new initiatives relating to marketing.

Effective ten days ago, all FHA subsidized and unsubsidized housing, with few exceptions, will have to be marketed in accordance with HUD's Affirmative Fair Housing Marketing Regulations. They require a sponsor to carry out affirmative programs to attract buyers or tenants of all races into his projects. Typically, a developer will be required to advertise in minority media, maintain a non-discriminatory hiring policy in recruiting his sales staff, and use a HUD-approved Equal Housing Opportunity logo or slogan in his advertising. He will be required to display a Fair Housing Poster in a prominent place on his premises.

This will help end the system whereby developers in the past have marketed HUD-assisted housing by quietly opening their doors and filling up a project with all white or all black buyers or renters, depending on whether it was a black or white neighborhood.

What's more, we will know whether and how this is working, for HUD is now collecting racial and ethnic data respecting occupancy patterns on all housing programs. Through analysis of this data, we already are uncovering projects which do not have any racial integration, but should.

Since advertising is a major element in marketing, HUD has in final clearance guidelines covering all real estate advertising. These are intended to discourage the use of words, phrases, maps and other symbols to attract to the unit one race and not the other. Conversely, these guidelines encourage the use of an Equal Housing Opportunity logotype, statement and slogan.

This job cannot be done by HUD alone. Mindful of that, we have sought the cooperation of others, especially Federal agencies.

For years, Federal departments and agencies have been leasing or building new facilities in the suburbs just as private industry has. And as in the case of the private sector, the Federal Government has also left behind its low-income workers because there was no housing for them, and no decent transportation.

But HUD has recently signed a memorandum of agreement whereby the General Services Administration, which handles much of this leasing and building, will require planned efforts to make such housing available in suburban locations.

Nor do I intend to give the impression that all constructive action in this field is the result of Federal leadership. There are numerous examples of how localities have attacked these complex problems.

The Leadership Council for Metropolitan Open Communities in Chicago has been more successful than any other effort in the country in identifying and strengthening legal methods of beginning to eliminate a dual housing market within a metropolitan area.

In Ohio, the Miami Valley Regional Planning Commission unanimously approved a regional housing plan for sharing responsibility for development of low- and moderate-income housing through a formula distributing the required units throughout the Dayton metropolitan area.

The Washington, D.C., Metropolitan Council of Governments has recently adopted a similar formula, allocating a fair share formula percentage to each jurisdiction.

The work of the State of Massachusetts in formulating a housing dispersal plan with allocations of targets to the various regions is another fine example of what is needed.

What does all this mean? In sum, these new initiatives represent a fundamental shift in the HUD equal opportunity housing program. From a preoccupation with case-by-case resolution to setting minimum equal opportunity requirements for all HUD programs; to determining funding priorities, to establishing nation-wide guidelines and standards defining discrimination and to developing procedures for monitoring results—I believe we have fashioned a program for producing purposeful change.

For many minority Americans the promise of "equal housing opportunity" is illusory because of their marginal participation in the economic life of the nation. Jobs and business opportunities must go hand and glove with housing rights if there is to be real equality, if there are to be effective options.

HUD's budget last year exceeded four billion dollars. This represented the lifeline for a variety of construction and related activities. At HUD alone it meant 14,000 jobs, plus the sustenance for the payrolls of 4,000 funded agencies. And more importantly, it meant thousands of business opportunities and an additional two million jobs as a consequence of construction starts generated by FHA commitments, and contracts let by funded agencies and HUD directly.

Historically, we know that minorities have been excluded from all but a token share of HUD-generated economic activity. During the past year or so, this is becoming less so. But this change has not been fortuitous. For without a comitment (and a program) to rip away inequitable barriers and to replace them with a tow-line to economic parity, there would be rhetoric but not results.

For this reason, a second major goal of the Office which I head is to expand the participation and involvement of minorities and low-income persons in all facets of housing and community development programs.

To institutionalize this process by making it a part of our on-going operation, we have done several things.

New Executive Order 11246 regulations. Effective December 31, 1971, HUD will operate under its own regulations implementing Executive Order 11246 relating to Equal Employment Opportunity on HUD procurement contracts and the contracts of HUD-funded local agencies. With these new regulations HUD is now better able to shape an enforcement program suitable for its own particular class of contractors.

Hometown plans. Prior to the issuance of the above new 11246 regulations, our Department had pioneered in the conduct of city-wide compliance reviews of critical construction crafts. This enabled us to identify the union-contractor relationship that bore most heavily against minority groups, rather than trying to deal in isolation with hundreds of contractors and subcontractors. As a result of these reviews, HUD has helped fashion so-called "hometown plans" in 38 cities.

Section 3 regulations. We are on the eve of publishing a regulation implementing Section 3 of the Housing Act of 1968, which requires that the Secretary of HUD see that job, training and business opportunities are provided, where feasible, to lower income persons and to businesses located in the area of the HUD-assisted projects.

But the articulation of legal rights and the establishment of compliance procedures are not enough. Recognizing this, we have taken a number of affirmative steps to expand economic opportunity options of minorities under HUD programs.

Beginning with this fiscal year, HUD has adopted a Minority Housing Production Goals Program designed to increase minority entrepreneurial involvment in the Sections 235, 236 and Rent Supplement programs. Each Area and Insuring Office will develop dollar targets for involving minority entrepreneurs in these three programs, after assessing the level of participation in HUD programs by minority business during the previous fiscal year.

We developed this program as a result of our experience with the Los Angeles Minority Opportunity Plan, which set aside 1,000 units of HUD-assisted housing to be built by minority housing producers—Black and Mexican-American. Involving more than $20 million in mortgage commitments, this Plan provided 7,000 minority job opportunities on 46 projects, plus 38 opportunities for general contractors and 970 minority subcontractor opportunities.

A similar approach has been successful in gaining more participation by Indian firms in HUD-assisted construction on reservations. These goals call for an annual set-aside of HUD funds for production of up to 6,000 units of public housing. In addition, the Department's regional offices may now waive the competitive bidding requirements on public housing contracts, allowing Indian construction firms to bid directly on these projects. During fiscal years 1971 and 1972, projects involving over 1800 units of housing worth more than $21 million have been or will be contracted out to Indian firms.

To help solve the bonding problems encountered by minority contractors, HUD has given local offices the authority to accept personal indemnity agreements in lieu of bonds on FHA projects of $500,000 or less.

With respect to minority banks, HUD and local funded agencies have deposited more than $19 million in these institutions.

In terms of technical assistance, HUD signed new contracts with the Urban League and Operation SER, a service group dedicated to increasing economic opportunities for the Spanish-speaking, to update and expand the six-volume national Registry of Minority Contractors. The new Registry will include engineers, brokers, sponsors, lawyers, architects and other housing specialists. And local HUD offices are encouraged to hold area seminars in order to provide technical assistance to these contractors which will enable them to gain access to the Federal housing production and management system.

In terms of our "own shop," we have developed a goals-oriented equal employment opportunity program for HUD itself, covering minority groups and women. Each HUD installation now will be required to institute an affirmative program setting forth long-range goals and yearly targets respecting minority employment utilization.

With respect to funded agencies, the equal employment picture is not so bright. Although employment non-discrimination has been required of funded agencies through the loan or grant instruments, too little positive action has occurred in the past. While a few agencies do employ many minorities, all too often they are found in the lower-paying jobs. However, now that the Equal Employment Opportunity Commission will soon have jurisdiction over employment discrimination complaints filed against state and local government agencies, I am sure you can appreciate that it is now imperative that these agencies develop and implement affirmative compliance programs.

You may say that "this is a lot." I say it is not enough. It is a beginning A pointing in the direction which we should and must follow in the future. For housing and community development programs affect the lives of every individual, especially in the central city of our metropolitan areas where harsh reality forces us to find ways to expand option for all income groups on a non-discriminatory basis. And we must continue to search for ways to institutionalize and expand opportunities for the participation of minorities in the economic benefits derived from these programs.

Yet this cannot be achieved solely by the Federal Government, or solely through enforcement efforts. In the end, the fate of these new initiatives will depend upon the creativity and ingenuity of those persons responsible on a day-to-day basis for the decisions and programs in this field.

MINING AND MINERALS POLICY ACT OF 1970

Mr. BIBLE. Mr. President, for many years I have been seeking the development of a policy which would insure a continuing and expanded supply from domestic deposits of those minerals and metals essential to our economy and security. The great State of Nevada has a bountiful supply of many minerals and metals and it has been my continuing desire to bring about their full development through policies which would encourage industry to do so.

We have just received the first report of Secretary of the Interior Rogers C. B. Morton in response to the requirements for an annual status report and analysis of our minerals posture called for under the Mining and Minerals Policy Act. I had the honor of being a cosponsor of the law which was enacted in 1970 and for once placed the responsibility for most of our mineral activities in the hands of a single Cabinet member.

I have had the opportunity of reviewing this report and find that it confirms the concerns that I and a number of other Senators have pointed up over the past decade. The report shows a rising reliance on foreign sources for a number of minerals. It indicates that this reliance might possibly reach the staggering total of $64 billion by the year 2000 unless we are able to increase our own production of those minerals located within our borders, and improve our reuse of minerals and metals, or bring about a redesign in our requirements so that scarce minerals will be properly conserved.

This report also indicates that we need to improve the economic climate within the United States to assure those interested in mineral investment that we seriously intend to develop our own resources under policies of encouragement rather than discouragement.

I shall not go into the details of this report but commend it to the consideration of all Senators. It brings to our attention in a clear-cut manner the minerals situation in which we find ourselves. This report is a factual one, delineating the problem areas to meeting our future demands and the need for reasonable policies to encourage our private enterprise system to expand the funds here at home to bring about maximum output and maximum use of our available mineral resources. I know that those of us concerned with the welfare of our mineral industries and the security of the country are looking forward to giving full consideration to any suggestions which will lower our reliance on foreign supply and maintain a strong and economically sound natural resources base in the United States. I urge constraint on the part of our administrators in any activities which may result in impeding expansion of our minerals production. I am hopeful that all of us will take to heart the need to maintain a sound mineral base in the United States if we are to enjoy a continuing and progressive high standard of living.

HEALTH MANPOWER TRAINING ACT OF 1972

Mr. TOWER. Mr. President, I am extremely pleased with the passage of S. 2219, the Veterans' Administration Health Manpower Training Act of 1972. I feel that this legislation is another step toward addressing two very important concerns of the Nation. First, it addresses the Nation's health manpower shortage. Very often, this shortage is measured by ratios of doctors to hospital beds, or dentists to population. Although these facts and figures help us size up the immensity of the problem, it is even more distressing if we analyze the shortage in terms of patients who cannot obtain medical treatment and rural physicians who must treat more patients than they can adequately care for.

In order to alleviate this health manpower shortage, we must utilize all of our national resources. Perhaps one of the most promising hopes for increasing our Nation's ability to train an adequate number of health professionals is the utilization of the resources and experience of the Veterans' Administration. The VA's Department of Medicine and Surgery has made a substantial contribution in the field of health education. For over 25 years, hospitals of the Veterans' Administration have been offering hospital-based educational experience in collaboration with most of the Nation's medical schools. Veterans' Administration hospitals are currently affiliated with 81 medical schools, 51 dental schools, 287 nursing schools, 274 universities, and 84 community and junior colleges. During the current fiscal year, more than 50,000 students will participate in more than 60 categories of training in VA institutions. Because of the size, diversity, experience, and quality of its medical facilities and training programs, the VA's Department of Medicine and Surgery is uniquely qualified to undertake additional and expanded programs in order to provide an adequate supply of health care manpower to meet our national needs.

Second, S. 2219 addresses our Nation's concern for improving the quality of medical care that is available to our deserving veterans. As has been amply demonstrated, an improvement in medical care invariably accompanies medical education programs.

I am particularly pleased that the major provisions of two bills which I introduced in this Congress, Senate Joint Resolution 128 and S. 2304, have been incorporated into S. 2219.

Senate Joint Resolution 128, the Veterans' Administration Medical School Assistance and Health Service Personnel Education and Training Act, provided VA grants to public nonprofit institutions to assist them in the establishment of new medical schools. VA assistance to these institutions would include the leasing of unused VA hospital and other health facilities, remodeling and expansion of facilities when necessary to make them suitable for such educational purposes, and the reimbursement of faculty salaries during the first years of operation. S. 2219 has expanded this provision. For example, it includes schools of other health professions, such as dentistry and optometry, allied health schools, and area health education centers.

S. 2304, the veterans allied health professions training assistance program, which I introduced, would have authorized a grant program to be administered by the Veterans' Administration for programs which were expanded or initiated to provide veterans with medical experience and training the additional education they needed to receive state certification and licensure. Over 30,000 men and women leave the armed services each year who possess valuable medical skills. However, they cannot join the civilian health manpower force because they lack formal certification. S. 2219 places special emphasis on programs to recruit and train veterans with medical military occupation specialties and to employ them in the Veterans' Administration.

I feel that such farsighted proposals as these can effectively utilize the vast resources of the Veterans' Administration in our Nation's effort to train an adequate number of qualified health personnel to meet the demands which are being placed on our system of delivery of medical care.

OPPOSITION TO ABANDONMENT OF RURAL RAILROADS

Mr. MONDALE. Mr. President, the abandonment of rural railroad branch lines is another growing force adding to the strength of several factors already choking off the vitality of rural America.

This abandonment of short railroad lines in rural America is just the beginning of a disastrous process that could eventually disrupt the rural economy, kill many communities and cause chaos in the national transportation complex.

In my home State of Minnesota it would cost nearly $80 million just to provide necessary highways to serve those communities threatened with the loss of their railroads. For those towns, there are no good alternatives to rail service. Many of the Minnesota communities that face loss of rail service lack unrestricted access to good, all-weather highways. To provide improved highways to those Minnesota communities would cost $79.7 million in additional State and county highway construction money.

Besides the tremendous cost to taxpayers, there also would be extremely high added costs to business which would have to convert their terminals and receiving facilities to accommodate the increased reliance on motor carriers.

We cannot allow these abandonments to go on and on, speeding the death of our rural communities. Instead, we need to develop a balanced approach to meet the Nation's growing transportation needs. To keep the railroads in service and to improve that service to small communities which desperately need rail service may require an entirely new approach. In my judgment, we should stop

the abandonments now and start investigations directed at finding some way to keep rail service in communities which need it.

Earlier this year, I sponsored, along with my colleague, Senator HUMPHREY, Senate Concurrent Resolution 56, which would declare a moratorium on abandonments until needed studies and investigations could be carried out. I urge other Senators to study the necessity of passing this measure. Further abandonments are a severe threat to rural businesses and to farmers. In my judgment they should not be allowed to continue.

Practically every night on radio and television, the public hears Wally Shirra, the former astronaut, saying that we all need the railroads. I agree. But I think we should start trying to keep our railroads. We do not need the space shuttle or other extravagant space projects. For now, we should scrap those expenditures and keep our railroads.

Mr. President, Monday I testified at an Interstate Commerce Commission hearing at Redwood Falls, Minn., in opposition to abandonment of a Chicago & Northwestern Railway, a branch line between the villages of Sanborn and Wanda, Minn. I ask unanimous consent that my testimony be printed in the RECORD at this point.

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

TESTIMONY OF SENATOR WALTER F. MONDALE

Mr. Examiner, thank you. I appreciate this opportunity to appear before the Interstate Commerce Commission to discuss the subject of railroad branch line abandonment—a subject of great importance to rural America.

Walter Shirra, the astronaut, now appears on television to tell us how vital our railroads are I think we should believe him.

How ironic it is that now Shirra's former employer, NASA, is asking the Congress for 35 billion for a space shuttle to take a few astronauts around the earth . . . while our government silently permits these rail lines to be cut.

I think that's truly an astronomical irony. A few men will be able to orbit the earth, but farmers in Wanda or Sanborn can't get their crops to market. If that happens we've come a long way . . . backwards.

I ask the Interstate Commerce Commission to help reverse these tragically mistaken choices, and keep essential rail service in rural America.

I, therefore, strongly oppose the proposed abandonment of the rail line from Sanborn to Wanda and I urge you and the Commission to consider what this abandonment will mean to the people of these communities.

To these people, and the people of rural America, the issues raised here are of highest priority. For rural America understands the devastating impact of railroad abandonments.

Many rural communities, like the Village of Wanda, are threatened with the loss of their rail service. In many instances, these communities developed as collection and shipping points for farm commodities. Their residents are shippers, those performing services to shippers, or farmers bringing commodities to town for shipment.

It is not surprising that they are vitally dependent on railroads. Railroads often provide the only mode of transporting bulky commodities—especially agricultural produce. Despite the importance of railroads to rural America, over 60,000 miles of railway lines have been abandoned since 1920.

And more abandonments are planned. For example, the Penn Central intends to abandon 9,000 of its 21,000 miles of track. Here in the Midwest, the Chicago and Northwestern has indicated an interest in abandoning some 33% of it's lines.

These abandonments pose a substantial threat to the prosperity and stability of rural America.

Railroads are integrally related to the entire grain marketing system. Even the government's Commodity Credit Corporation refuses to accept responsibility for grain until it is delivered to a railhead. This means that if a grain elevator loses its rail service, it will not be competitive when buying and selling grain because it must absorb the additional transportation expense of getting the grain to the railroad. Ultimately, farmers' incomes are reduced because of increased freight costs or because they have to drive to a more distant elevator and waste more time by waiting to unload.

Farm prices, especially grain prices, have been severely depressed for the past year, and tragically there is little hope of improvement unless national farm policy changes. Freight costs of a few cents more per bushel can easily force grain prices into the loss category.

A rural community's loss of a railroad is more than a matter of dry statistics; it directly affects real people with real problems.

For example, there is Clements, Minnesota—a community that lost its railroads two years ago. The manager of a grain and feed company in Clements estimates that he had to spend $6,120 more to haul grain to Savage by truck than it would have cost to haul the same load by rail to Minneapolis. Because he could not afford to pay farmers as much for grain as his competitors on railroad lines, he lost all profits from 50,000 to 100,000 bushels of grain business.

As a result, his total loss for 1971 was $8,620. In a recent letter to me he presented vivid and graphic account of what the loss of a railroad means to rural community:

"Not being competitive," he wrote, "means that I make from one to five cents less than competitors. The biggest spread is when we are in harvest and the trucks are lined up at Savage for a mile waiting 10 to 15 hours to get unloaded. So if the railroads were all taken out of Minnesota, it would mean millions of dollars to build enough terminal facilities at Savage to handle the volume. It would also mean millions more to upgrade the roads. Here in Redwood County, I know it would take all the State and Federal funds allowed to the county for about seven years just to give each town an all weather road. This wouldn't leave anything to maintain the rest of the roads in the county. I feel that the loss of the railroad in Clements is forcing us towards the closing of our business."

The last year we had the railroad, about 1,000 carloads of grain, sugar beets and lumber were shipped in or out of Clements. Sugar beets alone meant an income to the gas station, restaurant, garage, hardware store, grocery stores and I guess it helped about every other business place in Clements. So it is real hard to estimate how many dollars the loss of our railroad took from the town. I know we have lost a lot and I feel that other rural towns have just as much to lose."

The railroad he was describing is gone. It died a quick death.

Even where the railroads remain, the service continues to deteriorate. Poorly maintained branch lines mean slow moving trains. Farmers tell me that they can pass a train while plowing their fields. In fact, one man told me that his wife can jog faster than the train moves.

There is the case of the deterioration of a branch line from Sleepy Eye to Redwood Falls—which is about 30 miles long. It requires a full day for a train to travel from Sleepy Eye to Redwood Falls. When the train finally arrives there in the evening, the crew is picked up and taken by automobile back to Sleepy Eye for the night. They are then brought back to pick up the train in the morning. There is little doubt that this train moves slower than stagecoaches in the old west.

Along with poor maintenance of roadbeds and track, shortages of boxcars are a perennial problem plagueing shippers of farm commodities. Grain elevators never seem to be able to obtain enough cars when they need them. Eventually, lines are abandoned and after abandonment, the rails, ties and even the ballast under the track are completely removed. Thus, once railroads are gone, they cannot be replaced without tremendous cost. If they had been properly maintained over the years, many depressed communities would still be thriving today.

Ironically, the abandonment of rural rail service is occurring at a time of increasing demand and need for this service. The Department of Transportation has estimated that the nation's ton-miles of freight volume will increase at least 40% by 1980. At the same time, railroads want to abandon between 35 and 40 per cent of their branch lines. Many of the abandonments are planned for rural areas.

But that is precisely where overall freight volume is increasing. Corn and soybean production have increased tremendously in the last few years. And most of the increase has to be shipped away from home.

In Redwood County, for example, there is no soybean processing plant. However, soybeans are an important cash crop in that county. Almost 3½ million bushels were produced last year. And for 1972, a 9% increase in soybean planting is expected. While there is storage for some seven millions bushels, that storage space is also used for corn and flax. Eventually, most of the volume of all these commodities must be moved out of the county.

Corn production has increased even more dramatically. This has been due to the response of corn to heavy applications of commercial fertilizer. Fertilizer use is increasing about 12,000 tons a year in Redwood County and by over 17,000 tons a year in neighboring Renville County. This bulk fertilizer is needed at certain times of the year—mainly in the spring when road restrictions are on and substandard railroad beds cause a transportation crisis.

For these areas, there are no alternatives to railroads. The soybean volume which has to be hauled out of Redwood County every year amounts to 3,760 50-ton box cars—or 9,400 20-ton semi-trailer trucks.

But there are too many trucks on the road already. Anyone who has driven across the Northern part of Minnesota on Highway No. 2 can verify this fact. That highway often has grain trucks bumper to bumper hauling grain from the Red River Valley, North Dakota and Montana to Duluth.

Increased reliance on motor carriers is not the answer for these farmers or for other residents of rural America. A recent study indicates that if the railroads have their way 304 Minnesota communities will lose railroad service by 1980, 98 of these communities now have roads which are restricted to less than 9 ton carrying capacity.

Thus, it would cost highway departments of the State of Minnesota and the counties $79.7 million in additional highway construction money to provide unrestricted access to these 98 communities. We know that many of our rural communities will be left to die because of the prohibitive cost of providing adequate transportation facilities to replace abandoned railroads.

The abandonment proceeding we are concerned with today illustrates why motor carriers are not a feasible alternative. The case of upgrading the road between Wanda and Sanborn to 9-ton capacity would be $130,000.

It is also reasonable to assume that if abandonments occur at the rate the railroads are requesting them, highway improvements could never be made fast enough to keep pace. We would have an extremely costly situation and utter chaos for several years. Wholesale abandonments of railroad lines throughout our nation would destroy any hope of developing a viable national transportation system.

We must face the fact that there are no reasonable alternatives to keeping the railroads in rural America. However, the railroads insist that the unprofitability of branch lines justifies abandonment. But before a community is condemned to death by cutting off its railroad, we should examine how the branch lines have been treated by the railroads which own them.

The typical abandonment petition describes a sodded roadbed, an outmoded track unable to handle modern tonnages, and a fifty or sixty year old line which has never been renovated.

Who is responsible for the condition of these lines: this responsibility certainly does not rest on the shippers—the country elevators, the farmers or the rural businessmen.

I think it is clear that the railroad companies created those conditions. These companies abandoned service to the branch lines long ago. Now they want to make it official by abandoning the lines themselves—thereby isolating rural America in the process.

The abandonment of rural rail service is a sad replay of the deterioration of railroad passenger service a few years ago. Railroads which want to leave an area simply make the service so poor that shippers cannot provide enough business to make the line profitable. Rail business on the branch line inevitably decreases because of the inadequate service, and finally, the line is abandoned.

Unfortunately, neither the Department of Transportation or the Interstate Commerce Commission has made any effort to solve this problem. On the contrary, their proposals are designed to facilitate branch line abandonments.

For example, the Interstate Commerce Commission recently proposed a new standard on abandonments. Under this standard, a line can be eliminated if it has not been used by 34 cars per mile per year. This standard is most unfair, because it does not take into account the fact that many shippers are unable to obtain the number of cars that they order.

When the railroads opened the frontier, they were heavily subsidized with grants of land and other assistance from government agencies. Since that time, the railroads have continued to draw profits from the original grants—while refusing to invest money in maintaining roadbeds and tracks.

Today several of the railroads are owned by large conglomerates. It is clear that at least some of these conglomerates regard their railroad only as a tax loss; they ignore the fact that their tax loss is a transportation company vital to the lives of many Americans.

If existing rural rail lines were maintained and serviced effectively, they would be a real enhancement to rural development. But faced with the chance of abandonment at any time, businesses shy away from many communities. A company has no guarantee that if it builds a new grain elevator or fertilizer plant on a railroad line in 1972, there will not be an abandonment petition a year from now—or that the railroad will not be abandoned a year and a half from now.

For these reasons, I oppose the proposed abandonment of the line from Sanborn to Wanda. I also oppose all further abandonments without additional study and investigation of our rural transportation problems and needs. That is why Senator Humphrey and I have introduced a Senate Joint Resolution declaring a moratorium on abandonments until further study and investigation can develop solutions to this tragic situation.

The Congress must consider alternatives for keeping branch lines open and viable where there is a genuine need for a railroad. A few decades ago, there were pessimists who said that electrification would be impractical in rural America. But the REA has proven to be our greatest rural development success story. I therefore think we should consider the possibility of patterning the operation of rural railroad branch lines after the Rural Electrification Program.

There are other alternatives. For example, the Federal government should also consider subsidizing the branch lines—insuring that any such subsidy be earmarked and used for only that purpose.

The Federal government now subsidizes other forms of transportation—such as air travel and mass transit for our urban areas.

Meeting the transportation needs of rural America is no less important than solving the transportation problems of our cities. If we can revitalize our rural areas with decent transportation systems and other programs, we can reserve the senseless flow of rural America to large, over-crowded cities.

What's at stake here, then, is more than the abandonment of one branch line in rural Minnesota. What's really at stake is the abandonment of an entire transportation system and the hopes and opportunities of those totally dependent on this system—and of rural Americans and communities like Wanda, Elmore, Herron Lake, and many others.

I urge the Commission to come to grips with the broader issue—and deny the pending abandonment.

GOV. WENDELL R. ANDERSON OF MINNESOTA OPPOSES RAILROAD ABANDONMENTS

Mr. MONDALE. Mr. President, the Honorable Wendell R. Anderson, Governor of the State of Minnesota also testified in opposition to the abandonment of railroad branch lines. Governor Anderson focused on a clear parallel between what has happened to railroads due to the conglomerate takeovers and what has started to happen to agriculture due to vertical integration by corporate conglomerates.

In my judgment, Governor Anderson's testimony would be helpful to anyone interested in gaining an understanding of the problems which will be visited upon rural America by wholesale abandonment of railroad branch lines.

Mr. President, I ask unanimous consent that the Governor's statement be printed at this point in this RECORD.

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

TESTIMONY OF GOV. WENDELL R. ANDERSON

Thank you for the opportunity to appear before the Interstate Commerce Commission today to comment in opposition to the proposed abandonment of Chicago and Northwestern rail trackage between Sanborn and Wanda.

I appreciate the willingness of the Interstate Commerce Commission to honor my request for a public hearing on this proposed abandonment. I also appreciate the willingness of the I.C.C. to accommodate Senator Mondale's and my schedules by allowing us to appear at this time in the hearing, which is reserved for proponents of the proposed abandonment.

During the remainder of today you will be hearing an old story—that the declining revenues on this piece of track do not justify continued maintenance even of their presently deteriorated condition. You will certainly hear that profitability dictates no new investment in bringing the roadbed and track up to a more usable level.

And during tomorrow's session you will hear another old, familiar, and tragic story—another community left stranded by a broken promise. A new grain elevator; a cooperative effort of the local community in anticipation that rail service would continue; and then the news that the master plan for the railroad's future just doesn't include any plan for the future of the people of Wanda.

I am not here today to tell those two old stories over again. The representatives of the railroad and the community are prepared to testify before you.

But I am here to tell you that the effects of railroad abandonment in Minnesota are the business of the State of Minnesota.

We have not been adequately involved over the years. But we are determined to change that. The proposal to abandon a little over eight miles of track between Sanborn and Wanda is part of a plan to reduce, deliberately and methodically, the available railroad service throughout the outstate portions of Minnesota.

That is more than a question of eight miles of track that help Wanda survive as a community. It is more than a question of shipping in the products that make the land fruitful and shipping out the fruits of the labor of the people of this rural community in Minnesota.

The question that is really before us is what part a rail system can play in maintaining and improving the quality of life of half the people of Minnesota. And that makes it the business of Minnesota State Government.

That is the spirit in which I requested a public hearing on the abandonment of this segment of track.

That is the spirit in which my office joined in a delegation from Minnesota to oppose railroad abandonments.

That is the spirit in which I supported, and still support, a moratorium on railroad abandonment, nationwide, until vital questions of public policy can be addressed and resolved.

That is the spirit in which I established last month a railroad abandonment study committee in the State of Minnesota.

In Minnesota in 1972, we are facing up to a series of problems that are related to this abandonment proposal and all others which can be shown to have significant effects on the communities that may be abandoned along with the trackage.

In February I directed the chairman of the state's interdepartmental transportation task force to take the lead in preparing a proposal for a department of transportation in Minnesota.

In my letter to the chairman, Minnesota highway commissioner Ray Lappegaard I pointed out that:

"Transportation decisions also affect the environment, economic growth and development, population trends and the general quality of Minnesota life, even down to the neighborhood level. I believe the state must adopt a comprehensive approach to transportation."

In justifying the need for such a department, I argued that "we can no longer afford isolated single-purpose efforts if we are to provide the best possible access for our citizens and businesses to air, rail, highway, and local mass transit facilities. We must cross existing departmental and regulatory barriers in the interest of providing efficient, economical modern transportation for the people of Minnesota."

In my judgment, the questions of railroad abandonments are part and parcel of this philosophy toward transportation. Within the State of Minnesota, we must con-

sider individual rail abandonments within the framework of a general transportation policy for the state.

We do not yet have a department of transportation, and we do not yet have a transportation policy for the state. That is a Minnesota state problem. We are working to solve it. I believe we will accomplish both a department and a transportation policy soon.

In the meantime, it is my judgment that we can afford to wait a while before the track is abandoned between Sanborn and Wanda, and before it is abandoned anywhere in Minnesota where there is a question of the effect of abandonment on the well-being of the community involved. The Chicago and Northwestern Railroad can also wait a while.

By law, the hearing in which we are engaged today is the only forum in which the decision to wait a while can be made. That is one reason that I am asking the Interstate Commerce Commission today not to allow the abandonment of the track between Sanborn and Wanda.

Closely related to the question of a State Transportation Policy is another problem which the State of Minnesota is facing up to this year.

My administration is deeply concerned with the economic problems of the people who live in outstate Minnesota.

We are faced with a severe economic situation in the Duluth community of northeastern Minnesota, and it has received a great deal of attention. But we are presently preparing legislation that will address the State's economic situation on a statewide level.

Figures from the 1970 census show that nearly 16 per cent of the families in Redwood County had incomes below the poverty level in 1969. In the surrounding counties, the percentages vary from 13 to 16 percent. For Redwood County, that means 786 families whose income did not meet the standards defined by the Federal Government as minimal for economic well-being.

On a State-wide basis, the percentage of families with incomes below the poverty level is 8.2 percent. There is not one county west of Mankato and south of Moorhead which does not exceed the State average of families living in poverty.

That is one indication of the economic problems of outstate Minnesota. It is primarily a farm economy, and substantially a grain economy. And it is an economy in trouble.

For a farm family earning its living by producing and shipping agricultural products, the difference in freight rates between rail transit and other forms of transportation can make the difference between poverty and economic well-being.

I do not believe we should take any action that could threaten to add one family from Redwood County to the poverty statistics of the State. That is another reason that I am asking the Interstate Commerce Commission today not to allow the abandonment of the track between Sanborn and Wanda.

This year in Minnesota we are facing up to a third problem that bears a relationship to the question of railroad abandonment—the development of corporate farming in the State.

The 1971 legislature passed a law requiring the registration of corporate farms so that we can watch what is happening to our farming communities in the State. We hope to strengthen that law in our next legislature.

I can think of no better argument for State laws in the corporate farming area than the process we are talking about today.

For agriculture in Minnesota is just beginning the process that has led to the situation we now face in the railroad industry.

Over the years, small railroads dependent and involved with local communities and economies have become larger and larger railroads less and less concerned with the economics and the people of local communities.

Finally they have become parts of huge conglomerate enterprises that are less and less concerned even with railroads.

The end result is that corporate executives and board members, sitting around tables in Dallas and New York and Chicago, make profitability decisions on a broader and broader basis. The people of Wanda are of no concern to them. But the decisions they make have major effects on the people of Wanda.

I fear that development in agriculture because we can see so clearly what its parallel has been in rail transportation. In agriculture, we are moving as a State to protect the people of communities like Wanda from conglomerate decision-making in agriculture.

Unfortunately, we have not moved as a State to protect our people against conglomerate decision-making in rail transportation.

But I do not believe it is too late to start. And that is another reason that I am here today to ask the Interstate Commerce Commission not to allow the abandonment of the track between Sanborn and Wanda.

Let me be as clear as I can be about one thing.

I recognize the fact that railroad companies have a responsibility to operate at a profit. As a matter of fact, I believe that if we are to make policy decisions about transportation that require certain services, we must be prepared to protect the providers as well as the consumers of those services.

That question is part of the national debate over rail transportation that is now going on in Congress. And I recognize the responsibility of government not to make unfair demands upon regulated industries.

But with the movement toward conglomerate industries, we are faced with virtual monopoly decision-making about transportation. The people of Wanda have nowhere else to go for dependable rail service. To the extent that such service is needed, it must be someone's responsibility to see that it is available. It is clear that the railroad industry does not see that it has any responsibility.

If the number of negative decisions on abandonment is any indication, it is also clear that the interstate commerce commission does not see the people of communities like Wanda as its responsibility, either.

But as governor of Minnesota, I know that they *are* my responsibility.

That is the reason I am here today to oppose the abandonment of the trackage between Sanborn and Wanda.

I am not asking for a permanent decision.

I am not claiming that profitability should go unconsidered in making decisions about rail service.

But I *am* asking that abandonment be discontinued wherever there is an indication of adverse economic impact on the community, until we can develop a state department of transportation and a state transportation policy.

I *am* asking that we do not burden an economically distressed area with higher freight rates that may add more families to the poverty statistics, until we are able as a state to take steps to improve Minnesota's outstate economy.

I *am* asking that we use the instruments of government to protect people in the communities of Minnesota from decision-making that is far removed from them even though it affects the immediate worlds in which they live.

Thank you.

MARIHUANA LAWS IN NEED OF REFORM

Mr. PERCY. Mr. President, substantial public usage of marihuana—an estimated 24 million Americans have tried marihuana in some form and many use it regularly—coupled with the fact that research to date has uncovered relatively few known harmful effects to the individual or the society, lead me to conclude that existing criminal penalties are clearly ineffective as a deterrent.

Thousands of otherwise law-abiding citizens are being branded as criminals by an arbitrary and unequal application of the law. We see increasing reports of sons and daughters being sent to jail for the mistake of getting caught. And we suffer the anguish of seeing our youth and Vietnam veterans treated as criminals, their personal lives and job opportunities marred by a prison record or dishonorable discharge, their alienation from the society in which they live made more severe.

At the same time, heated rhetoric and misallocated resources in enforcing laws that bear no demonstrable relation to the harm done—if any—have impeded our efforts at controlling more significant hard-drug use.

On the basis of the evidence and sound conclusions of the Commission on Marihuana and Drug Abuse, following on the heels of similar conclusions reached by the National Institute of Mental Health, we must begin to deal honestly with the marihuana issue by decriminalizing our laws relating to personal possession and use. This course would have the effect of distinguishing marihuana from drugs known to be dangerous. It would constitute an acceptable middle ground between a policy of encouragement through outright legalization and the present unsuccessful policy of elimination through stiff sanctions. We only succeed in undermining respect for the law by continuing to hold to anachronistic sanctions arbitrarily enforced which result in serious psychological, social, and economic consequences for the society and the individual far more damaging than any direct consequence of using marihuana.

Mr. President, in connection with the current debate on the efficacy of Federal and State laws pertaining to marihuana, I ask unanimous consent that there be printed in the RECORD a series of editorials from leading newspapers across the Nation commenting on the need for a change in attitude and approach toward this problem.

In addition, I ask unanimous consent to have printed in the RECORD an updated compilation of "Criminal Penalties Under the Current Marihuana Laws," current as of January 1, 1972, which was put together at my suggestion by a nonprofit, private group here in Washington called the National Organization for the Reform of Marihuana Laws—NORML.

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

[From the Chicago Daily News, Mar. 27, 1972]

SANITY ON MARIJUANA

We welcome the proposal by the National Commission on Marijuana and Drug Abuse to abolish criminal penalties for the private use and possession of pot. The conservatively oriented commission's findings are based on the most thorough study ever conducted of marijuana use and its physiological, psychological and sociological effects. A careful read-

ing of the report should do much to dispel myths, misconceptions and fears that have made it difficult to deal intelligently with the problem.

While the commission found that marijuana is not an innocuous drug, it concluded that its use at present levels by the majority who indulge in pot "does not constitute a major threat to public health." The report itself was careful not to draw such a comparison, but it left little doubt that marijuana's effects—varying with the degree of use or abuse—could be equated with those of alcohol, a socially and legally acceptable drug subject to government regulation.

Proposals for putting marijuana on the same legal footing as liquor and tobacco were rejected by the commission, however. It did so partly because it felt the country is not politically prepared for such a radical change and even more importantly because it believes that more scientific research must be conducted to clear up areas on which some doubts still exist.

The report confirmed earlier findings that pot is not addictive as are narcotics and other hard drugs, and that its use does not ordinarily lead to harder stuff. It failed to find any significant connection between violent crime and pot use—links that do exist in the case of narcotics. And it sought to put to rest the widespread notion that pot and sexual promiscuity go hand in hand.

Marijuana users have long made the same points themselves, and once an adult generation is prepared to accept them and take rational action, part of today's generation gap could well be closed. It is fatuous and morally destructive to brand young people as criminals for using marijuana, when the main evidence of its harmfulness rests on hysteria rather than fact.

Gov. Ogilvie and the Legislature went a considerable distance last year to ease criminal penalties for the use and possession of pot. In the light of the commission findings, they should go the whole way and abolish the criminal penalties altogether.

[From the Post-Dispatch, Mar. 25, 1972]

MAKING POT PASSE

Possibly because its members are keenly aware of the political obstacles to any radical reform of laws pertaining to marijuana, a resistance reinforced by folk wisdom and old wives tales, the National Commission on Marijuana and Drug Abuse was at pains to make it clear that it disapproved of pot. Thus in its report the commission stated that it "would prefer" to consider marijuana as a fad and that its recommendations were designed to discourage marijuana use."

Having made it plain that its intentions were pure, so to speak, the commission went on to demolish almost every one of the popular myths about marijuana. The weight of evidence, the commission said, shows that pot inhibits rather than causes violent behavior; that not a single death has ever been recorded from an overdose of marijuana; that the drug probably does not cause genetic damage; that marijuana categorically does not lead to addiction and that it does not significantly impair driving ability.

The commission's findings point the way to a wholesale revision, if not elimination, of the nation's federal and state marijuana laws. For itself, the commission merely advocated a partial legalization of pot, that is, removing penalties for personal possession of the drug or for the casual, not-for-profit distribution of it but retaining restrictions against the cultivation, sale or public use of marijuana. Such laws, the panel said, may destroy marijuana as a fad by robbing it of its value as a symbol of defiance.

It is a strategy to make pot passe and whether it could succeed as long as any criminal penalties are associated with the drug is open to question. In any event, the commission has made a contribution toward the eventual formulation of a rational public policy on the use of a drug whose value to society is doubtful but whose danger is probably considerably less than those, say, connected with alcohol.

[From the New York Times, Feb. 20, 1972]

"DECRIMINALIZING" MARIJUANA

Is "pot" harmful? Classified as a "narcotic drug" by law, with severe penalties imposed for its sale, use or mere possession, marijuana has been treated as an extremely harmful commodity at all levels of government for many years. Only during the last few years, however, has the medical profession closely studied marijuana. The validity of the law depends on the answer to the question: How harmful is "pot"? That answer is only now beginning to come in.

According to both the National Institute of Mental Health and the National Commission on Marijuana and Drug Abuse, the dangers inherent in smoking marijuana appear to be less than previously assumed. On the basis of recent medical inquiry, both studies have now supported "decriminalization" of marijuana. This is a tentative interim step that would separate marijuana from hard, addictive drugs like heroin and would place the weight of law somewhere between the current stiff sanctions and outright legalization. It is a step suggested only for marijuana and not for the hard drugs.

Dr. Bertram S. Brown, director of N.I.M.H., says flatly that marijuana penalties are "much too severe and much out of keeping with knowledge about its harmfulness." The national commission, appointed by President Nixon specifically to study the issue, has prepared a formal report due for release soon which also recommends abolition of all criminal penalties for private use and possession of marijuana.

This double recommendation from such authoritative sources should have influence not only on Congress but also on state legislatures, such as New York's, currently wrestling with proposals to change the drug laws. A New York legislative committee last year recommended reclassification of marijuana—new a "narcotic drug" under New York law—and reduction of penalties associated with it. Mere possession of marijuana remains a "class A" misdemeanor in this state, punishable by as much as one year in jail. If one college student gives another a marijuana cigarette—something that appears to happen frequently on college campuses—he may be subject to as much as 25 years in jail.

Fortunately, these penalties are seldom imposed by a generally enlightened New York State judiciary; but their existence on the statute books is now anachronistic. Neither the N.I.M.H. nor the national commission seems prepared at this point to advocate outright legalization of marijuana; the accumulation of further medical evidence might justify such a step later on.

What is immediately called for is a sharp scaling down of marijuana penalties, elimination of criminal sanctions for its use or possession and reduction of penalties for its small-quantity sales. A failure of legislatures to base legal sanctions on the best medical evidence available can only undermine respect for the law.

[From the Washington Daily News, Mar. 23, 1972]

THE MARIJUANA REPORT

A proposal to remove all criminal penalties for the private possession or use of marijuana, while continuing to crack down on traffickers, pushers and suppliers, should be given prompt and favorable consideration by Congress this spring.

The proposal makes sense for two reasons:

It recognizes that casual marijuana usage is so common that fair and effective enforcement and prosecution are practically impossible. In some states, a first offender can be jailed for 10 or 20 years. In others, he's likely to be placed on probation.

It rejects the idea that marijuana should be legalized and recommends that stiff penalties for importing, growing or selling the stuff be retained.

This new approach was developed by the National Commission on Marijuana and Drug Abuse.

The commission, headed by former Pennsylvania Gov. Raymond P. Shafer, concluded that marijuana is neither as harmful as its critics contend nor as harmless as its defenders would like to think.

The salient fact is that marijuana is a drug. It distorts perception, slows the reflexes and creates a serious risk to public safety, when used while driving a car for instance. Its long-term effects are largely unknown.

Legalizing such a drug, even under strict controls, would be an unwarranted indication that maybe the stuff has some virtues after all.

Our national policy is—and should be—to discourage the use of marijuana, or any other dangerous or intoxicating substance.

This can best be done, not by policemen and judges, but by concerned parents, teachers, doctors and clergymen—if they're willing to take the time.

[From the Washington Star, Feb. 19, 1972]

DECRIMINALIZING POT

From two sharply divergent sources last week came support for the idea of ending criminal penalties for marijuana users. One was Dr. Bertram S. Brown, the director of the National Institute of Mental Health, whose breadth of work in the psychiatric field makes such a view not too surprising.

John Finlator is something else. Here is a square-jawed, shorthaired 60-year-old who, having spent most of his life chasing lawbreakers, was known around the Justice Department as "Supernarc" until his retirement a few months ago as deputy director of the Federal Bureau of Narcotics and Dangerous Drugs. What's to be made of a man with that background who now says sending marijuana users to jail is "wrong as hell" and who has joined a group working for legalization of the drug?

Well, in the first place, the two points—legalization on the one hand and criminal penalties for use on the other—can be considered separately.

Dr. Brown, for example, while favoring "decriminalization" in cases of the drug's use, emphatically does not support its legalization at this point. We agree. The latest HEW research report, released by Brown, raises a host of medical and scientific questions which require a great deal more factual data before a legalization campaign is seriously considered.

Finlator, in fact, while assuming that legalization will come ultimately, also disavows any desire "to promote or to encourage the use of marijuana."

What he does insist, however, is that the statutory criminal penalties for use bear no relevance to the demonstrable harm done; that marijuana use in this country has reached such proportions that the present law is clearly ineffective as a deterrent; that thousands of otherwise law-biding people are being stigmatized as criminals by an unequal application of the law, and that "rhetoric and emotion" of the marijuana debate is severely impairing the fight against more important drug abuse.

Precisely where a recodification of the laws might lead, if one accepts these views, raises a host of new questions. If it is all right to smoke pot, for example, what about the smoker who gives or sells a supply to a friend? Finlator's claim that society "must accept the fact that there is such a thing as 'recreational' use of drugs" is much easier said than done.

Still, that concern hardly detracts, in our opinion, from the importance of his conclusions in the continuing debate over marijuania. Much of what he says, quite apart from his unique background of expertise, is apparent to anyone who has seriously considered the problem. In particular, his view that a national decision to "honestly deal with the marijuana question" is a necessary prelude to an effective fight against more serious forms of drug abuse deserves a lot of earnest thought.

[From the Press, Long Island, N.Y., Mar. 24, 1972]

A Realistic Look at Marijuana

A presidential panel has offered a realistic assessment of the furor over marijuana, and a realistic formula to govern its use.

The National Commission on Marijuana and Drug Abuse suggests abandonment of criminal penalties for simple possession and use, and a policy of "discouragement" rather than prohibition. However, the panel opposes legalization and urges continuation of penalties for its sale.

There are obvious contradictions, as some law enforcement officials point out. One critic said the proposal not to prosecute users, but also not to legalize marijuana, is akin to being "just a little bit pregnant." Another pointed out the smoker wouldn't commit a crime by using pot, but would create one by buying it.

These are valid points, and the commission knows it. As Dr. Henry Brill, director of Pilgrim State Hospital in West Brentwood and a member of the commission says in a story on today's front page, "We wanted to face the reality that marijuana is used, and will be used . . . Yet we want to penalize those who grow marijuana or transport or sell it for profit . . . To be blunt about it, we are equating marijuana's use with adultery. There are those who will do it, and we say to them: 'If you get by with it, all right, but don't get caught.'"

That is a refreshingly frank—and completely sensible—position.

The widely held conviction that pot smoking poses a threat to the moral, physical and social well-being of America is disputed by the commission, which says: "Considering the range of social concerns in contemporary America, marijuana does not, in our considered judgment, rank very high. We would de-emphasize (it) as an issue."

The commission properly points out that the public has never treated alcohol with as much concern as marijuana, though alcohol is surely a potentially harmful drug used for pleasure. The most important factor, as the commission says, is that marijuana "has evolved . . . as a symbol of wider social conflicts and public issues."

When the use of pot was generally confined to the poor, the black, the criminal and the artist, there was no concern—let alone national furor. The furor only came when pot symbolized a wholesale revolt—especially among the young—against established American values.

While recognizing that pot will be smoked regardless of the law, and concluding that its use is not a major threat to public health, the commission properly warns against complacency. "Marijuana is not an innocuous drug. The clinical findings of impaired psychological function . . . legitimately arouse concern," the report says.

The panel members also hope that pot smoking may be approaching fad status, saying they believe "the present interest . . . will diminish in time of its own accord once the symbolic aspects of its use are deemphasized."

Enactment of the panel's proposals to "decriminalize" pot smoking may speed that day. It is time government learned that whenever it tries to legislate people's personal actions, it runs into trouble.

The commission next tackles the even more difficult question of hard drugs, such as heroin, and its opinions will be eagerly awaited.

Meanwhile, it is encouraging that President Nixon has promised to step up the federal attack on drug addiction. However, we have heard many promises before from Washington, with little action. Hopefully, the new coordinated program Mr. Nixon outlined will show more in the way of results.

There now are 13 federal agencies involved in narcotics programs, resulting in bureaucratic waste rather than drug prevention. Our money can certainly be better spent.

Mr. Nixon has put the emphasis on tough enforcement of laws against drug pushers. This is vital, but the federal government must help fund local programs to educate our youngsters about the dangers of narcotics.

Unfortunately, no matter how hard we, and other nations, crack down on drug smuggling, some will get through. We must, therefore, reduce not only the availability, but the desirability, of drugs if we are to win the war against what Mr. Nixon calls our domestic "Public Enemy Number One."

[From the Philadelphia Inquirer, Mar. 24, 1972]

Legal Chaos Over Marijuana Leads to Disrespect for Law

Depending on your preconceived notions, you can denounce the report of the National Commission on Marijuana and Drug Abuse for going too far or for not going far enough. It is also easy to cite what the 13 members of the commission, which was headed by Pennsylvania's former Gov. Raymond P. Shafer, acknowledge to be contradictory recommendations in the report.

The one thing Americans ought not to do is ignore the report itself. That, though, isn't likely. The report promptly drew heated comments from all sides and a frosty reception in the White House.

There is a certain irony in this, for if the commission members were unanimous about anything, it was that marijuana ought to be de-emphasized as an issue in American life.

Perhaps the best way to approach the issue is in the manner the members themselves did, putting aside preconceived notions and starting with the realities.

One of those realities is that marijuana is widely used in this country—the commission cites studies which indicate that as many as 24 million Americans have at least tried it.

And they go on trying it, despite the fact that the laws forbid them to do so. Federal law makes it a misdemeanor, punishable by a year in jail or a $5,000 fine or both, to use marijuana or casually distribute it. State laws, however, are widely—even wildly—at variance, in penalties and in enforcement. In some jurisdictions you can be imprisoned for 20 years on a felony charge for having the stuff; in others, you may be let off with a fine or a reprimand.

When the law is unenforceable, unjust in its incidence, and senseless to those upon whom it is applied—or misapplied—the result is widespread disrespect for the law itself. So it was during America's "great experiment" with Prohibition, and so it is today.

For still another reality—and a central one in any rational consideration of the issue—is, as the commission put it, that "from what is now known about the effects of marijuana, its use at the present level does not constitute a major threat to public health."

It is not a health food and the commission doesn't recommend it: "Any psychoactive drug is potentially harmful." But the commission finds no conclusive evidence to support the widespread notions that it is addictive, that it leads the user onward and downward to hard drugs, that it causes physical or psychological harm or leads to violent or aggressive behavior by the large majority of mature individuals.

All of which leads the commission to recommend not that marijuana be legalized but that it be "decriminalized." Sensibly, it says that present penalties are much too harsh and urges that state laws be made uniform. It also recommends that possession for private use no longer be considered an offense but that growing or selling pot for profit, or distributing it in public, remain offenses.

Quite obviously, these controversial recommendations are not going to please everyone, but that is another reality the Shafer commission recognized. In any event, the members have done a courageous and conscientious job, and their report deserves fair and open-minded consideration.

[From the St. Paul (Minn.) Pioneer Press, Mar. 23, 1972]

The Marijuana Report

Controversy over public policy toward marijuana will not be ended by the report of the national commission which has just reported its findings on the subject.

However, the conclusion that private pot smoking should be discouraged but is not in itself justification for fining a person or putting him in jail as a criminal seems based on a reasonable consideration of the available facts. It also recognizes that millions of Americans have chosen to try marijuana, a situation which strengthens the argument for "persuasion rather than prosecution".

The National Commission on Marijuana and Drug Abuse was established by Congress. Most of the members were appointed by President Nixon, who opposes legalization of pot but believes some penalties for use and possession have been too harsh.

"In general," said the report, "we recommend only a decriminalization of possession of marijuana for personal use, on both the state and federal levels." It proposed elimination of fines and jail terms for smoking marijuana in private or possessing one ounce or less. It advocated felony penalties for growing marijuana, selling it for profit or possessing it with intent to sell.

This is a compromise, of course, leaving many problems, but it may represent as practical an approach as has been put forward.

The commission found no strong evidence that marijuana is really dangerous to users or that its use leads to crime, violence or addiction to more powerful drugs. It did conclude that a person driving while under influence of pot can be a serious threat to public safety—as is also the case with alcohol. Long-term daily use was declared harmful.

Smoking pot, the report suggested, may be a fad among youth that will die out if robbed of its importance as a symbol of defiance. This is what the commission hopes will happen.

The recommendations have no binding effect, but should be carefully considered by state and federal legislators considering drug law revisions.

[From Newsday, Long Island, N.Y., Mar. 24 1972]

A Good Try

The National Commission on Marijuana and Drug Abuse demonstrated a refreshing sense of realism in dealing with a complex and controversial social issue.

In its report released recently, the commission recommended changing state and federal laws to permit the private use and possession of marijuana while retaining penalties for growing it, selling it or holding it with intent to sell. At first glance, the suggestion seems inconsistent and possibly counter-productive. If it is legal to use marijuana, why should it be illegal to sell it? And might not legalized use create a demand that would

attract new sellers into the illegal market? On reflection, however, it's apparent that the commission's compromise is consistent with its mandate, which was to suggest *realistic* ways to cope with the marijuana underground.

The commission could have suggested a stronger law-enforcement effort to stop the use of the drug. But since the commission estimates that 24,000,000 Americans have used marijuana, at least once, this approach probably would have been futile. The commission found no proof that marijuana causes physical or psychological harm, and it could have recommended that both use and sale be legalized. But it rejected this approach for the common sense reason that a society "is well advised to minimize the number of drugs which may cause significant problems." Just the potential impact of legalized marijuana on the traffic death rate would constitute a significant problem.

The commission also did not want to institutionalize, and thus perpetuate, what may be only a passing fad. Right now, however, it is a major social problem, especially because so many young people are attracted to the drug. We don't know if adoption of these recommendations can retard the use of marijuana. And surely, the report isn't perfect. But the commission at least made a real attempt to come to grips with the problem, and that's a step forward.

[From the Press, Long Island, N.Y., Mar. 28, 1972]

MARIJUANA: NEW LIGHT ON THE SUBJECT

(By William F. Buckley, Jr.)

The recommendations of the National Commission, assuming the thoroughness of its research, are welcome. Up until two or three years ago, one could prudently say about marijuana that there wasn't yet enough evidence about its effects to warrant a substantial change in public policy towards the casual users of the drug.

But the evidence began to mount, and Prof. John Kaplan of Stanford University wrote a challenging book in 1970 in which he trod a delicate but altogether intelligible line. He said that whatever is ultimately discovered about the harm caused by marijuana, it is right now indisputable that the criminalization of the use of it is worse for more people than any foreseeable affliction from the use of it.

A year or so went by and Prof. Lester Grinspoon of Harvard went much further. He said that enough is now known as the result of scientific testing about marijuana to make it scientifically responsible to state flatly that the occasional use of it does not harm the individual biologically or psychologically.

The Commission at the very least accepts the views of Prof. Kaplan, and goes a long way towards accepting the views of Prof. Grinspoon. It makes, however, an interesting distinction between the pusher and the consumer, one which no doubt would vex many law enforcement officials if the commission's recommendations are widely accepted. But not one, surely, which is without precedent. The commission says, in effect, that the use of marijuana, which after all does affect the mind, is hardly to be encouraged by filling the grocery stores with it. But that if an individual goes out of his way to get it, he will not be prosecuted, though the supplier will be.

I said on one occasion, taxed by a college student to explain my position against the legalization of pot, that it struck me as unbalanced that at one and the same time a state should a) legalize marijuana, and b) illegalize soft drinks containing cyclamates. The Commission's recommendation in effect acknowledges the difficulty. No one will walk into a home and arrest someone who is sipping one of those soft drinks, left over from before the ban.

For years, during Prohibition, suppliers of whiskey were jailed or fined, but patrons of the speakeasy were for the most part unmolested. It has been so for centuries on the matter of prostitution.

The commission's existence, by the way, is largely the work of Rep. Edward Koch of Manhattan. Mr. Koch being a liberal, it was of course suspected that his sympathies were permissive. But there were conservatives in favor of the commission.

The existing anti-marijuana laws are excruciatingly anachronistic, and although it is hardly a tribute to the direction in which students have used their power that their most signal victory will probably result in due course in the general licensing of mild narcotics, still it is no doubt a tribute to student power that a commission was finally mobilized to look into the matter, and did so responsibly. Alas, the case will be most widely made that what brought the commission into being was not so much pressure from students on the laws, which were, quite simply, disregarded.

It will be a long time before the commission's proposals are accepted, but it has already accomplished that destigmatization of the occasional use of marijuana, which is not to be confused with the regular use of it, as different one from another as social drinking and alcoholism. Inevitably, magistrates will be influenced when time comes to meet out sentences; and, in due course, the positive law will catch up.

[From the Evening Sun, Baltimore, Md., Mar. 23, 1972]

ON MARIJUANA

The National Commission on Marijuana and Drug Abuse has, to paraphrase an old song, gone about as far as it could go. It has recommended that criminal penalties for marijuana use and possession and distribution of small amounts be repealed. It has recommended this after an exhaustive study of the drug and its psychological and physical effects, which it found to be negligible. At the same time the commission suggested that the production and sale of marijuana remain illegal.

Illogical? It would seem so. A closer look, however, indicates that the commission's position on marijuana comes closer to the attitude shared by a growing number of Americans. It has taken a few years, but most informed people have jettisoned the idea that marijuana use leads ineluctably to heroin and a life of crime. It is not a thoroughly harmless substance, though, and no really good reasons have been marshaled to legalize it, for legalization would stamp it with the imprimatur of social approval.

Marijuana, it may be argued, is less harmful than alcohol. But the use of alcohol is a part of our culture. Marijuana use is not and neither the commission nor most Americans are willing to accept it as such. It is possible that the next generation of adults may do just that; it is also possible that marijuana use is a fad that before too many years have passed, will lose its popularity.

The commission is certain to have its antagonists. Large numbers of young people will repudiate the panel for its tentativeness. These are the cultist, the spiritual children of Dr. Leary, who view the weed as a panacea of peace, a substance with the same sort of benign effects on the mind that fluoride has on the teeth.

From the right will thunder the objections of various reactionary politicians, the older, frightened people to whom marijuana is essentially evil because it is foreign and new.

Most Americans in the middle, we trust, will see clearly that the commission has done its best, seen at least a partial truth, made its judgments and let us hear them.

[From the Portland (Oreg.) Oregon Journal, Mar. 24, 1972]

ONE OF THE LESSER VICES

The use of marijuana is a vice, but it is no worse than some other vices commonly tolerated in our society—and probably not as bad.

That seems to be the essence of findings by the National Commission on Marijuana and Drug Abuse, which has just issued a series of recommendations that would take the "middle way" in the handling of this troublesome problem.

The commission would remove penalties against personal possession and private use but at the same time would seek to discourage its use and retain penalties for production, distribution and public use.

There does seem to be an inherent conflict in the proposal to legalize the possession and use of a substance which it would be illegal to grow and distribute.

The findings resulted from a consensus that present tough laws against marijuana are a factor in the alienation of youth and that crackdowns on the drug actually encourage experimentation with hard narcotics. In only a small percentage of cases does the marijuana user "graduate" to hard drugs, says the commission.

Oregon's new criminal code has modified penalties against marijuana to the extent that possession of less than one ounce is only a misdemeanor on the first conviction, whereas it used to be a felony.

Pressure is rising for further changes in the law, and the findings of the national commission will certainly increase the pressure.

Rep. Morris Crothers, R-Salem, a physician and chairman of the subcommittee on drugs of the Legislative Interim Committee on Alcohol and Drugs, believes it inevitable that Oregon will at least move in the direction of the national commission's recommendations. He will chair a hearing on marijuana in Smith Memorial Union at Portland State University next Tuesday night.

Last June, Dr. Samuel Irwin, University of Oregon pharmacologist, testified before the national commission that marijuana is less hazardous than alcohol, which he regards as perhaps the most dangerous drug to the individual and society when abused. Only a few weeks ago the Department of Health, Education and Welfare branded alcohol the nation's No. 1 drug abuse problem.

In sum, the case for marijuana is really not very good, stemming mainly from the conclusion that other legal vices are worse and that to outlaw it makes society appear hypocritical to the young. But it reminds us of the question raised by one 19-year-old: "Does this nation need a new generation of 'pot heads' to compete with the past and present generation of alcoholics?"

One of the hopes of the commission is that elimination of penalties for possession and private use of marijuana would make it less attractive and perhaps even lead to a reduction of the problem.

That is a hope which remains to be proved, but the trend of findings in studies at all levels of government lead to the conclusion that further softening of the penalties on marijuana is inevitable. But this ought to be accompanied by renewed attacks in other ways on the whole range of our drug problems, including our worst one, alcohol.

[From the Journal, Montgomery, Ala., Mar. 24, 1972]

THE MARIJUANA COMMITTEE

Well, a blue ribbon panel of national leaders, most of them conservatives, have spoken the unspeakable by recommending that the first step to be taken toward legalization of marijuana. The chairman of the commission, former Gov. Raymond Shafer of Penn-

sylvania, hit the nail on the head when he analogized the present day laws against marijuana to the prohibition laws earlier this century.

There is, of course, a manifest inconsistency in a report which makes selling marijuana illegal and buying it in effect legal. Needless to say, the report represents the politics of compromise.

And it acknowledges that the present laws are in practical terms unenforceable. How can any law be enforced when it is violated by one out of every eight persons in the country—as the commission found—and by one out of two college students—as various polls have found.

The Legislature here has already acknowledged these facts by reducing, in two steps over the past five years, the penalties for simple possession of the weed from a felony punishable by a mandatory five years to a misdemeanor which usually gets probation.

But there are still a number of young people serving time in prisons under the old laws. The intent of the Legislature has been made clear, and the authorities ought now use whatever parole and commutation powers are at their disposal to free these people from prison. They are not, in the accepted sense, criminals, and even if they are, the only victim of their crimes has been themselves.

[From the Salem, Oreg., Oregon Statesman, Mar. 25, 1972]

MARIJUANA DILEMMA

Most older people, when asked about relaxing the legal bars against marijuana insist we've got enough problems now, why add another one.

Marijuana has become the symbol of the generation gap. Somehow, "letting the bars down" would be seen as defeat for the older generation.

But it wasn't the younger generation which filed the presidential report on marijuana this past week. The National Commission of Marijuana and Drug Abuse, after a year's study, unanimously concluded that private use of marijuana should no longer be penalized. This and other studies have laid to rest the belief the marijuana is physically addictive.

There are no recorded deaths attributable to marijuana.

But because its long-term use can impair initiative, it carries potential hazard to the psychologically unstable—as does alcohol. But unlike alcohol, it does not bring physical deterioration.

The question facing society now, as the presidential panel points out, is not whether to add the marijuana problem to those we already have, but how to deal with it now that it is here.

Sheer, outright repression hasn't worked. It hasn't cut off the supply. The plant is too easily grown and available. It has clogged the courts in many major cities. It is taking a disproportionate amount of police time. It is embittering young people who see their friends thrown into jail for privately using a "harmless" weed while persons under the influence of alcohol cause highway deaths, often without penalty.

If outright repression isn't working, what is the alternative? Short of eliminating laws dealing with marijuana, there are three options of "models."

The vice model is suggested by the presidential panel. It would continue treating marijuana as a vice, but would take away penalties for private use or possession. This is hypocritical, of course. It would keep penalties for selling and distributing. Thus, in any purchase, the buyer would be innocent and the seller guilty, as is presently the case with prostitution.

The medical model would treat marijuana as a medical product, and give doctors the right to dispense it. While the drug may have medical values in making some people more socially relaxed, it is primarily a pleasure product, not a medicine. Doctors don't want to decide who shall have it and who not.

The regulatory model would have the state license it. This would insure its quality, take it away from the present illegal sales and distributing system, and disassociate it from contact with hard drugs, which is one of its biggest present dangers. Its tax revenue potential is attractive to politicians.

But the regulatory model is not politically salable to the public. It would put society's and the government's stamp of approval on marijuana. In this pleasure-seeking society, its use would most likely spread once it were legalized.

So the presidential panel's proposal, even with its hypocrisy, is considered by that group to be the most feasible present compromise. It would free the courts and the law enforcement system from the impossible burden of apprehending and prosecuting all users, without giving it society's sanction. It would also provide more time for that slow, deliberative process by which society decides what it will and will not accent.

THE CRIME PENALTIES UNDER THE CURRENT MARIJUANA LAWS

STATEMENT OF PURPOSE

NORML is a non-profit organiaztion formed for the purpose of achieving legislative reform of the marijuana laws on both the state and federal levels. While we don't advocate the use of marijuana, we know of no medical, legal or moral justification for sending those to jail who do use it. We believe the current criminal penalties pertaining to possession and use of marijuana cause far more harm to the individual users and to society as a whole than the substance they seek to prohibit. And recognizing the need for more control over the quality and strength of the drug, as well as over who can obtain it, NORML recommends the creation of a licensing system for distribution of marijuana analogous to that now used for alcohol.

The data appearing in these tables is current as of Jan. 1, 1972. Starting with a similar compilation 18 months earlier, prepared by Richard J. Bonnie and Charles H. Whitebread, II, appearing in the October 1970 Virginia Law Review, Vol. 56, No. 6, we have attempted to incorporate all subsequent changes. Finally, a caveat is in order. Because many of the recent changes were not available in written form, we were often forced to rely on telephone inquiries with state officials. Minor errors may have resulted from this less-than-optimum research method.

TABLE I.—FEDERAL LAW

(The Controlled Substances Act of 1970, Public Law 91-513 (Oct. 27, 1970))

Offense	1st offense	2d offense	Subsequent offense
Simple possession	0 to 1 year, $5,000 [1]	0 to 2 years, $10,000	Same.
Possession with intent to distribute.	0 to 5 years, $15,000	0 to 10 years, $30,000	Do.
Sale or distribution	do [2]	do	
Sale or distribution to a minor	0 to 10 years, $30,000	0 to 15 years, $45,000	Do.

[1] For 1st offender, court has descretionary authority to defer proceedings and place defendant on probation, which, if successfully discharged, avoids an adjudication of guilt. For offenders under 21, court has further discretionary authority to completely expunge the records.

[2] Distribution of a "small amount of marijuana for no remuneration" is to be treated the same as simple possession.

TABLE II.—STATE LAWS

(STATUTORY SCHEMES FOR MARIJUANA PROHIBITION)

Jurisdiction	Distinction between marijuana and narcotics	1st offense possession classified as felony	Federal Model Uniform Controlled Substances Act
Alabama	Yes	No	Yes.
Alaska	Yes	No	
Arizona	Yes	No	
Arkansas	Yes	No	Yes.
California	Yes	No	
Colorado	No	No	
Connecticut	Yes	No	
Delaware	Yes	No	
Florida	Yes	No	
Georgia	Yes	Yes	
Hawaii	No	No	
Idaho	Yes	No	Yes.
Illinois	Yes	No	
Indiana	No	Yes	
Iowa	Yes	No	Yes.
Kansas	No	Yes	
Kentucky	Yes	No	
Louisiana	Yes	No	Yes.
Maine	Yes	No	
Maryland	Yes	No	Yes.
Massachusetts	Yes	No	Yes.
Michigan	Yes	No	Yes.
Minnesota	Yes	No	Yes.
Mississippi	Yes	Yes	Yes.
Missouri	Yes	No	Yes.
Montana	Yes	No	
Nebraska	Yes	No	Yes.
Nevada	Yes	Yes	Yes.
New Hampshire	Yes	No	
New Jersey	Yes	No	Yes.
New Mexico	Yes	No	
New York	No	No	
North Carolina	No	No	
North Dakota	Yes	No	Yes.
Ohio	Yes	No	
Oklahoma	Yes	No	Yes.
Oregon	No	Yes	
Pennsylvania	No	Yes	
Rhode Island	No	Yes	
South Carolina	Yes	No	Yes.
South Dakota	Yes	No	Yes.
Tennessee	Yes	No	Yes.
Texas	No	Yes	
Utah	Yes	No	Yes.
Vermont	Yes	No	
Virginia	Yes	No	Yes.
Washington	Yes	No	Yes.
West Virginia	Yes	No	Yes.
Wisconsin	Yes	No	
Wyoming	Yes	No	Yes.
District of Columbia	No	No	

TABLE III.—PENALTY PROVISIONS FOR MAJOR MARIJUANA OFFENSES

[All fines are represented as maximum amounts possible]

A. POSSESSION

	1st offense	2nd offense	Subsequent offense
Alabama	0–1 year/$1,000	2–15 years/$25,000	
Alaska	0–1 year and/or $1,000 or rehabilitation treatment by state for 1 year.		
Arizona	0–1 year in county jail and/or $1,000 or 1–10 years.	2–20 years	5 years to life.
Arkansas	0–1 year and/or $250[1]	0–1 year and/or $250.	2–5 years.
California	County jail for up to 1 year or 1–10 years.	2–20 years	5 years to life.
Colorado	Under ½ oz., 0–1 year and/or $500; over ½ oz., 2–15 years and/or $10,000.	1–14 years and/or $1,000–$2,000.	
Connecticut	0–1 year and/or $1,000 or up to 3 years in custody of commissioner		
Delaware	0–2 years and/or $500[1]	2–7 years and/or $500.	
Florida	Less than 5 grams, 0–1 year and/or $1,000; More than 5 grams, 0–2 years and/or $1,000.	0–2 years and/or $1,000.	
Georgia	Under 1 oz., 0–1 year and/or $1,000; Over 1 oz., 0–2 years and/or $2,000.	0–5 years and/or $5,000.	
Hawaii	0–5 years	0–10 years	
Idaho	0–6 months and/or $300		
Illinois	Amount[3]		
	Less than 2.5 grams, 0–90 days.		
	2.5 to 10 grams, 0–180 days		
	10 to 30 grams, 0–1 year	1–2 years	
	30 to 500 grams, 1–3 years	2–6 years	
	Over 500 grams, 1–5 years	2–7 years	
Indiana	Less than 25 grams or 5 grams hashish, 0–6 months and/or $25–$100; over these amounts, 30 days to a year and/or $500.	2–15 years and/or $3,000.	
Iowa	0–6 months and/or $1,000	0–18 months and/or $3,000.	
Kansas	0–1 year	1–3 years	
Kentucky	0–1 year mental health facility.[1]	0–1 year county jail and/or $1,000.	5 years and /or $5,000.
Louisiana	0–1 year and/or $500[1]	0–5 years with or without hard labor and/or $2,000.	0–20 years hard labor.
Maine	0–11 months and/or $1,000	0–2 years and/or $2,000.	
Maryland	0–1 year and/or $1,000[1]	0–2 years and/or $2,000.	0–2 years and/or $2,000.
Massachusetts	0–6 months/$500[2]	0–2/$2,000	
Michigan	0–1 year/$1,000	0–2/2,000	
Minnesota	Under 1.5 oz., 0–1 year and/or $1,000; over 1.5 oz., 0–3 years and/or $3,000.	0–6 years and/or $6,000.	
Mississippi	0–4 years and/or $2,000	5–10 years and/or $2,000.	10–20 years and/or $2,000 mandatory fine
Missouri	Under 35 grams or 5 grams hashish, 0–1 year and/or $1,000; over these amounts, 0–5 years and/or $1,000.	0–5 years and/or $1,000.	
Montana	Up to 60 grams or 1 gram of hashish, 0–1 year and/or $1,000; over these amounts, 0–5 years.	0–3 years and/or $1,000.	
Nebraska	Less than 1 pound, 7 days in county jail to be held separately and/or $500; over 1 pound, 0–6 months in county jail or 1 year in prison and/or $500.	Under 1 pound, up to 14 days and/or $1,000; over 1 pound, 0–1 year in county jail or 2 years in prison and/or $1,000.	
Nevada	If under 21 and less than 1 oz., 0–1 year and/or $1,000 and/or suspension of driver's license; if over 1 oz., 1–6 years and/or $2,000.	Under 1 oz., 1–6 years and/or $2,000; Over 1 oz., 1–10 years and/or $2,000.	Under 1 oz., 1–10 years and/or $2,000; over 1 oz., 1–20 years and/or $5,000.
New Hampshire	Less than 1 pound, 0–1 year and/or $500; over 1 pound, 0–5 years and/or $2,000.	Less than 1 pound, 0–3 years and/or $1,000; over 1 pound, 0–10 years and/or $5,000.	
New Jersey	Under 25 grams or 5 grams hashish, 0–6 months ; over 25 grams, 0–5 years and/or $15,000.		
New Mexico	0–1 year in county jail and/or $1,000.	5–20 years and/or $2,000.	10–40 years and/or $2,000 minimum.
New York	Less than 25 cigarettes or ¼ oz., up to 1 year ; 25–99 cigarettes or ¼–1 oz., 1–7 years; over 100 cigarettes or over 1 oz., 1–15 years.		
North Carolina	Less than 1 gram, misdemeanor with fine or imprisonment left to court; over 1 gram, 0–5 years and/or $1,000.		
North Dakota	0–1 year and/or $500		
Ohio	0–1 year and/or $1,000	1–10 years.	
Oklahoma	0–1 year	2–10 years.	
Oregon	0–1 year in county jail and/or $5,000 or 0–10 years in prison and/or $5,000.		
Pennsylvania	2–5 years of separate or solitary confinement and/or $2,000.	5–10 years of separate or solitary confinement and $5,000.	10–30 years of separate or solitary confinement and $7,500.
Rhode Island	0–10 years and $5,000	0–20 years and $10,000.	0–30 years and $10,000.
South Carolina	Under 1 oz. or 10 grams of hashish, 0–3 months and/or $100; over these amounts, 0–6 months and/or $1,000.	Under 1 oz. or 10 grams of hashish, 0–6 months and/or $200; over these amounts, 0–1 year and/or $2,000.	
South Dakota	Less than 1 oz., 0–1 year in county jail and/or $500[1]; Over 1 oz., 0–5 years and/or $5,000.	0–15 years and/or $10,000.	0–40 years and/or $20,000.
Tennessee	Commitment to a state-operated drug treatment facility or community mental health center or, at the discretion of the court, up to 11 months, 29 days and/or $1,000.	0–2 years	
Texas	2 years to life	10 years to life	
Utah	0–6 months and/or $299[1]	0–1 year and/or $1,000.	0–5 years in penitentiary.
Vermont	0–6 months and/or $500	0–2 years and/or $2,000.	
Virginia	0–12 months and/or $1,000	0–12 months and/or $10,000 or 2–20 years and/or $10,000.	
Washington	Less than 40 grams, 30 days; over 40 grams, 0–5 years and/or $10,000.	0–10 years and/or $10,000.	
West Virginia	90 days–6 months and/or $1,000.*		
Wisconsin	0–1 year in county jail and/or $500.		
Wyoming	0–6 months and/or $1,000[1]	0–6 months and/or $1,000.	0–5 years and/or $5,000.
District of Columbia	0–1 year and/or $100–$1,000	0–10 years and/or $500–$5,000.	

B. POSSESSION WITH INTENT TO SELL

Alabama	2–15 years/$25,000	4–30 years/$50,000	
Alaska	0–25 years and/or $20,000	0 years to life and/or $25,000.	0 years to life and /or $25,000.
Arizona	2–10 years	5–15 years	10 years to life.
Arkansas	0–5 years and/or $15,000	0–10 years and/or $30,000.	
California	2–10 years	5–15 years	10 years to life.
Colorado	2–15 years and/or $10,000	5–20 years and/or $10,000.	1–30 years and/or $10,000.
Connecticut	5–10 years and/or $3,000	10–15 years and/or $5,000.	25 years.
Delaware	5–10 years and/or $1,000 to $10,000.	7–15 years and/or $1,000 to $10,000.	
Florida	No such offense		
Georgia	No such offense		
Hawaii	0–10 years and/or $1,000	0–20 years and/or $2,000.	
Idaho	0–5 years and/or $15,000		
Illinois	Amount—		
	Less than 2.5 grams, 0–180 days 2.5 to 10 grams, 0–1 year jail or 1–2 penitentiary.		
	10–30 grams, 0–1 year jail or 1–3 penitentiary.	1–4 years	
	30 to 500 grams, 1–4 years	2–8 years	
	Over 500 grams, 1–7 years	2–10 years	
Indiana	5–20 years and/or $2,000	5 years to life and/or $5,000.	
Iowa	0–5 years and/or $1,000	0–15 years and/or $3,000.	
Kansas	1–3 years	1–3 years	
Kentucky	0–5 years and/or $5,000	0–10 years and/or $10,000.	
Louisiana	0–10 years and/or $15,000	0–20 years and/or $30,000.	
Maine	No such offense		
Maryland	0–5 years and/or $15,000	0–10 years and/or $30,000.	
Massachusetts	0–2 years/$5,000	2–5 years/$10,000	
Michigan	0–4 years/$2,000	0–8 years/$4,000	
Minnesota	0–5 years and/or $15,000	1–10 years and/or $30,000.	
Mississippi	0–4 years and/or $2,000	0–8 years and/or $2,000.	
Missouri	5 years to life	10 years to life	
Montana	No such offense		
Nebraska	0–6 months in county jail or 1–5 years in prison and/or $2,000.	0–12 months in county jail or 2–10 years in prison and/or $4,000.	
Nevada	No such offense		
New Hampshire	0–10 years and/or $2,000	0–15 years and/or $5,000.	

Footnotes at end of table III.

	1st offense	2nd offense	Subsequent offense
New Jersey	0–5 years and/or $15,000	0–10 years and/or $30,000.	
New Mexico	No such offense		
New York	1–7 years		
North Carolina	0–5 years and/or $1,000	5–10 years and/or $2,000.	15 years to life and/or $3,000.
North Dakota	0–10 years and/or $5,000	0–20 years and/or $10,000.	
Ohio	10–20 years	15–30 years	20–40 years.
Oklahoma	2–10 years and/or $5,000	4–20 years and/or $10,000.	
Oregon	No such offense		
Pennsylvania	No such offense		
Rhode Island	0–20 years	0–30 years	0–40 years.
South Carolina	0–5 years and/or $5,000	0–10 years and/or $10,000.	
South Dakota	0–10 years and/or $5,000	0–15 years and/or $10,000.	0–40 years and/or $20,000.
Tennessee	1–5 years and/or $3,000	2–10 years and/or $6,000.	
Texas	No such offense		
Utah	0–5 years and/or $5,000		
Vermont	25 cigarettes or more, 0–2 years and/or $2,000; 100 cigarettes or more, 0–5 years and/or $5,000.		
Virginia	1–40 years and/or $25,000	10 years to life and/or $50,000.	
Washington	0–10 years and/or $10,000		
West Virginia	1–5 years and/or $15,000	2–10 years and/or $15,000.	
Wisconsin	0–5 years and/or $15,000	0–10 years and/or $5,000.	
Wyoming	0–10 years and/or $10,000	0–20 years and/or $20,000.	
District of Columbia	No such offense		

C. SALE

Alabama	2–15 years/$25,000	4–30 years/$50,000	
Alaska	0–25 years and/or $20,000	0 years to life and/or $25,000.	
Arizona	2–10 years	5–15 years	10 years to life.
Arkansas	0–5 years and/or $15,000	0–10 years and/or $30,000.	
California	5 years to life		10 years to life.
Colorado	2–15 years and/or $10,000	5–20 years and/or $10,000.	10–30 years and/or $10,000.
Connecticut	5–10 years and/or $3,000	10–15 years and/or $5,000.	25 years.
Delaware	5–10 years and/or $1,000 to $10,000.	7–15 years and/or $10,000.	
Florida	0–10 years and/or $10,000	0–20 years and/or $20,000.	20 years to life and/or $20,000.
Georgia	0–2 years and/or $2,000	0–5 years and/or $5,000.	
Hawaii	0–10 years and/or $1,000	0–20 years and/or $2,000.	
Idaho	0–5 years and/or $15,000	0–10 years and/or $15,000.	
Illinois	Amount—		
	Less than 2.5 grams, 0–180 days.		
	2.5 to 10 grams, 0–1 year jail or 1–2 years penitentiary.		
	10 to 30 grams, 0–1 year jail or 1–3 penitentiary.	1–4 years	
	30 to 500 grams, 1–4 years	2–8 years	
	Over 500 grams, 1–7 years	2–10 years	
Indiana	5–20 years and/or $2,000	20 years to life and/or $5,000.	
Iowa	0–5 years and /or $1,000	0–15 years and /or $3,000.	
Kansas	1–3 years	1–3 years	
Kentucky	0–5 years and/or $5,000	0–10 years and/or $10,000.	
Louisiana	0–10 years and/or $15,000	0–20 years and/or $30,000.	
Maine	1–5 years	3–10 years	
Maryland	0–5 years and/or $15,000	0–10 years and/or $30,000.	
Massachusetts	0–2 years/$5,000	2–5 years/$10,000	
Michigan	0–4 years/$2,000	0–8 years/$9,000	
Minnesota	0–5 years and/or $15,000	1–10 years and/or $30,000.	
Mississippi	0–4 years and/or $2,000	0–8 years and/or $2,000.	
Missouri	5 years to life	10 years to life	
Montana	1 year to life		
Nebraska	0–6 months in jail or 1–5 years in prison and/or $2,000.	0–1 year in jail or 2–10 years in prison and/or $4,000.	
Nevada	By minor, 1–20 years with possible probation; Adult, 1–20 years and/or $5,000.	Life, no parole, and/or $5,000 (No difference for minors).	
New Hampshire	0–10 years and/or $2,000	0–15 years and/or $5,000.	
New Jersey	0–5 years and/or $15,000	0–10 years and/or $30,000.	
New Mexico	1–5 years	2–10 years	
New York	1–15 years		
North Carolina	0–5 years and/or $1,000	5–10 years and/or $2,000.	15 years to life and/or $3,000.
North Dakota	0–10 years and/or $5,000	0–20 years and/or $10,000.	
Ohio	20–40 years		
Oklahoma	2–10 years and/or $5,000	4–20 years and/or $10,000.	
Oregon	0–1 year and/or $5,000 or 0–10 years and/or $5,000.		
Pennsylvania	5–10 years separate or solitary confinement and $5,000.	10–20 years separate or solitary confinement and $10,000.	Life and/or $30,000.
Rhode Island	0–40 years maximum		
South Carolina	0–5 years and/or $5,000	0–10 years and/or $10,000.	5–20 years and/or $20,000.
South Dakota	0–10 years and/or $5,000	0–15 years and/or $10,000.	0–40 years and/or or $20,000.
Tennessee	1–5 years and/or $3,000	2–10 years and/or $6,000.	
Texas	5 years to life	10 years to life	
Utah	0–5 years and/or $5,000		10 years to life.
Vermont	0–5 years and/or $10,000	10–25 years and/or $25,000.	
Virginia	1–40 years and/or $25,000	10 years to life and/or $50,000.	
Washington	0–10 years and/or $10,000	0–10 years and/or $10,000.	
West Virginia	1–5 years and/or $15,000	2–10 years and/or $15,000.	
Wisconsin	0–5 years and/or $5,000	0–10 years and/or $5,000.	
Wyoming	0–10 years and/or $10,000	0–20 years and/or $20,000.	
District of Columbia	0–1 year and/or $100 to $1,000.	0–10 years and/or $500 to $5,000.	

D. SALE TO A MINOR

Alabama	4–30 years/$50,000	8–60 years/$10,000	
Alaska	0 years to life and/or $25,000		
Arizona	10 years to life		15 years to life.
Arkansas	0–10 years and/or $15,000	0–20 years and/or $30,000.	
California	10 years to life		15 years to life.
Colorado	No such offense		
Connecticut	No such offense		
Delaware	7–15 years and/or discretionary fine.	15–25 years and/or discretionary fine.	
Florida	10 years to life and/or $10,000.	10 years to life and/or $20,000.	20 years to life and/or $20,000.
Georgia	0–5 years and/or $5,000	0–10 years and/or $100,000.	
Hawaii	0–20 years and/or $1,000	Life and/or $2,000	Life and/or $2,000.
Idaho	0–10 years and/or $15,000	0–20 years and/or $15,000.	
Illinois	Amount—		
	Less than 2.5 grams, 0–360 days.		
	2.5 to 10 grams, 0–4 years		
	10 to 30 grams, 0–6 years	2–8 years	
	30 to 500 grams, 2–8 years	4–16 years	
	Over 500 grams, 2–14 years	4–20 years	
Indiana	No such offense		
Iowa	0–7½ years and/or $1,000	0–22½ years and/or $3,000.	
Kansas	No such offense		
Kentucky	0–10 years and/or $20,000	0–20 years and/or $40,000.	
Louisiana	0–20 years and/or $30,000	0–40 years and/or $60,000.	
Maine	For sale to people 18–20, 2–6 years; to people under 18, 3–8 years.	4–10 years	
Maryland	5–20 years and/or $1,000		
Massachusetts	0–2 years/$5,000	2–5 years/$10,000	
Michigan	0–8 years/$2,000	0–16 years/$4,000	
Minnesota	0–10 years and/or $15,000	0–20 years and/or $30,000.	
Mississippi	0–8 years and/or $2,000	0–16 years and/or $4,000.	
Missouri	5 years to life or death	10 years to life or death.	
Montana	1 year to life		
Nebraska	No such offense		
Nevada	If sold by minor, 1–20 years with possible probation; by adult, life and/or $5,000.	Life, no parole	
New Hampshire	0–10 years and/or $2,000	0–15 years and/or $5,000.	
New Jersey	0–10 years and/or $15,000	0–20 years and/or $30,000.	
New Mexico	2–10 years	10–50 years	
New York	1–25 years		
North Carolina	10 years to life and/or $3,000		
North Dakota	0–20 years and/or $5,000	0–40 years and/or $10,000.	
Ohio	30 years to life		
Oklahoma	4–20 years and/or $10,000	8–40 years and/or $20,000.	
Oregon	No such offense		
Pennsylvania	No such offense		
Rhode Island	0 years to life		
South Carolina	0–10 years and/or $10,000		
South Dakota	0–20 years and/or $5,000	0–30 years and/or $10,000.	0–80 years and/or $20,000.

Footnotes at end of table III.

TABLE III.—PENALTY PROVISIONS FOR MAJOR MARIJUANA OFFENSES—Continued

[All fines are represented as maximum amounts possible]

D. SALE TO A MINOR—Continued

	1st offense	2nd offense	Subsequent offense
Tennessee	2–10 years and/or $6,000	4–20 years and/or $12,000.	
Texas	5 years to life	10 years to life or death.	
Utah	0–10 years and/or $5,000		
Vermont	0–5 years and/or $10,000	10–25 years and/or $25,000.	
Virginia	5–40 years and/or $50,000		
Washington	0–10 years and/or $10,000	0–20 years and/or $10,000.	
West Virginia	2–10 years and/or $15,000	2–10 years and/or $15,000.	
Wisconsin	0–15 years	30 years to life	Life.
Wyoming	0–20 years and/or $10,000	0–40 years and/or $20,000.	
District of Columbia	No such offense		

[1] May be expunged.
[2] Mandatory probation for 1st offense may be expunged.
[3] Casual delivery (delivery without consideration) of up to 10 grams is treated as possession.
[4] May be expunged: Possible loss of driver's license.

TABLE IV.—MARIJUANA PROHIBITION CITATIONS

Antimarijuana Statute Citation		Most recent amendment
Alabama	Ala. Code Tit. 22, Sec. 232–258 (1958), as amended, (Supp. 1969).	1971
Alaska	Alaska Stat. Sec. 17.10.010–.240 (1953), as amended, (Supp. 1970).	1968
Arizona	Ariz. Rev. Stat. Ann. Sec. 36–1001 to –1002.10, –1017 (Supp. 1969).	1961
Arkansas	Ark. Stat. Ann. Sec. 82–1001 to –1020 (1937), as amended, (Supp. 1969).	1971
California	Cal. Health & S. Code Sec. 11530–11533 (West 1964), as amended, (Supp. 1970).	1968
Colorado	Colo. Rev. Stat. Ann. Sec. 48–5–1 to –21 (1963)	1963
Connecticut	Conn. Gen. Stat. Ann. Sec. 19–433 to –485 (1958). Conn. Pub. Act. No. 753, Sec. 1–42 (1969).	1969
Delaware	Del. Code Ann. Tit. 16, Sec. 4701–4722 (1953), as amended, (Supp. 1968).	1971
Florida	Fla. Stat. Ann. Sec. 398.01–.24 (1959), as amended, (Supp. 1969).	1971
Georgia	Ga. Code Ann. Sec. 79A–802 to –822, –9910, –9911 (Supp. 1969).	1971
Hawaii	Hawaii Rev. Laws Sec. 329–1 to –32 (1968)	1969
Idaho	Idaho Code Ann. Sec. 37–2701 to –3321 (Supp. 1969)	1971
Illinois	Ill. Ann. Stat. Ch. 38, Sec. 22–1 to –53 (Smith-Hurd 1964), as amended, (Supp. 1970).	1971
Indiana	Ind. Ann. Stat. Sec. 10–3519 to –3552 (1956), as amended, (Supp. 1970).	1971
Iowa	Iowa Code Ann. Sec. 204–1–.23 (1969), as amended, (Supp. 1970).	1971
Kansas	Kan. Stat. Ann. Sec. 65–2501 to –2522 (1964)	1971
Kentucky	Ky. Rev. Stat. Ann. Sec. 218.010–.245 (1969)	1970
Louisiana	La. Rev. Stat. Ann. Sec. 40.961–.984 (1965)	1970
Maine	Me. Rev. Stat. Ann. Tit. 22, Sec. 2381–2386 (Supp. 1970)	1969
Maryland	Md. Ann. Code Art. 27, Sec. 276–302 (1957)	1970
Massachusetts	Mass. Gen. Laws Ann. Ch. 94, Sec. 197–217E (1958), as amended, (Supp. 1970).	1971
Michigan	Mich. Comp. Laws Ann. Sec. 335.51–.77 and 335.151–.154 (1967), as amended, (Supp. 1970).	1971
Minnesota	Minn. Stat. Ann. Sec. 618.01–.25 (1964), as amended, (Supp. 1970).	1971
Mississippi	Miss. Code Ann. Sec. 6844–6869 (1942), as amended, (Supp. 1969).	1971
Missouri	Mo. Rev. Stat. Sec. 195.010–.210 (1970)	1971
Montana	Mont. Rev. Codes Ann. Sec. 54–129 to –138 (Supp. 1969)	1971
Nebraska	Ch. 197, (1969) Neb. Acts	1971
Nevada	Nev. Rev. Stat. Sec. 453,010–.240 (1967)	1971
New Hampshire	Ch. 421, (1969) N.H. Laws	1971
New Jersey	N.J. Rev. Stat. Sec. 24.18–1 to –47 (1937), as amended, (Supp. 1969).	1971
New Mexico	N.M. Stat. Ann. Sec. 54–7–1 to –51 (1962), as amended, (Supp. 1969).	1965
New York	N.Y. Penal Law Sec. 220.00–.95 (1967), as amended, (Supp. 1970).	1971
North Carolina	N.C. Gen. Stat. Sec. 90–86 to –113 (1965), as amended, (Supp. 1969).	1969
North Dakota	N.D. Cent. Code Sec. 19–03–01 to –32 (1960), as amended, (Supp. 1969).	1971
Ohio	Ohio Rev. Code Sec. 3719.01–3719.99 (Page 1953), as amended, (Supp. 1961).	1970
Oklahoma	Okla. Stat. Ann. Tit. 63, Sec 2–101 through 2–609 (1971)	1971
Oregon	Ore. Rev. Stat. Sec. 474.010–.99 (1969)	1971
Pennsylvania	Pa. Stat. Tit. 35, Sec. 780 (1964), as amended, (Supp. 1970)	1961
Rhode Island	R.I. Gen. Laws Ann. Sec. 21–28–1 to 21–28–68 (1956), as amended, (Supp. 1969).	1962
South Carolina	S.C. Code Ann. Sec. 32–1461 to –1495 (1962), as amended, (Supp. 1969).	1971
South Dakota	S.D. Comp. Laws Ann. Sec. 39–17–44 to –155 (Supp. 1970)	1971
Tennessee	Tenn. Code Ann. Sec. 52–1301 to –1323 (1966), as amended, (Supp. 1969).	1971
Texas	Tex. Pen. Code Art. 7256 (1960), as amended, (Supp. 1969–70).	1969
Utah	Utah Code Ann. Sec. 58–13a–1 to –44 (1963), as amended, (Supp. 1969).	1971
Vermont	Vt. Stat. Ann. Tit. 18, Sec. 4201–25 (1968), as amended, (Supp. 1970).	1969
Virginia	Va. Code Ann. Sec. 54–524.1 to .109 (Supp. 1970)	1971
Washington	Wash. Rev. Code Ann. Sec. 69–40.1–69.40.100	1969
West Virginia	W. Va. Code Sec. 16–8A–1 to –24 (1966)	1971
Wisconsin	Wis. Stat. Ann. Sec. 161.01 to .275 (1957), as amended, (Supp. 1969).	1969
Wyoming	Wyo. Stat. Sec. 35–348 to –371 (1957), as amended, (Supp. 1969).	1971
District of Columbia	D.C. Code Ann. Sec. 33–401 to –425 (1968)	1966

FOREIGN TRADE AND INVESTMENT ACT

Mr. HARTKE. Mr. President, in the face of a deteriorating international trade situation and mounting unemployment at home, I introduced the Foreign Trade and Investment Act of 1972, the first piece of comprehensive trade legislation in more than a decade. One of my bill's major titles provides for the imposition of general trade quotas on goods imported into the United States.

No section of the bill has been subjected to less analysis and more rhetoric. Again and again one hears the charge that quotas are bound to raise prices, that the consumer is being asked to pay dearly for any reduction in imported goods. As with so many issues in the foreign trade field, fact has given way to fancy.

O. R. Strackbein, president of the Nationwide Committee on Import-Export Policy, has done a most interesting analysis of past price trends of goods now under import quota controls. The Strackbein study shows conclusively that rising prices and import quotas are simply not related.

Cotton textiles are an interesting example. Inflation pushed up most prices in the 1960's, but cotton textiles rose consistently less than the average increase in the consumer price index. The same story holds true for sugar and oil. Between 1955 and April of 1971, import quota controlled sugar did increase in price by 31.7 percent, but over the same period, potatoes rose by 50 percent and lettuce by 84 percent. Neither potatoes nor lettuce are subject to import quotas.

Raw cotton is another striking example. With a strict quota limiting imports to less than 5 percent of domestic production, the price of raw cotton has fallen by more than 35 percent between 1951–55 and 1970.

Because of this study's particular importance to the current debate over our foreign trade and investment policies, I ask unanimous consent that "Import Quotas and Prices—A Review" by O. R. Strackbein be printed in the RECORD.

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

IMPORT QUOTAS AND PRICES—A REVIEW

(By O. R. Strackbein)

Constant repetition of unsupported comment tells us that import quotas will raise domestic prices of the products that are the subject of such quotas. Further, it is said that the only purpose of import quotas is to raise prices.

It should be possible to test the soundness of these unsubstantiated assertions. To do so we need do no more than to trace the wholesale price trends of products that are "protected" by import quotas compared with the price trend in general and the price on particular products that are not so "protected."

COTTON TEXTILES

One of the products that is the subject of an import quota or its equivalent is cotton textiles. An arrangement was made with Japan alone, effective January 1, 1957, whereby that country restricted its cotton textile exports to this country. This arrangement was superseded October 1, 1961 with the so-called Long-Term Arrangement negotiated under GATT. This arrangement covered some 30 countries and about 90% of our total cotton textile imports.

The wholesale price of cotton products (1967 equaling 100) was 104.5 in 1968. It remained at 104.5 in 1969. The wholesale price of all commodities in 1968 was 102.5, which was below the 104.5 for cotton products; but in 1969 the all-commodity index had risen to 106.5 while cotton products remained at 104.5.

By December 1970 the index for all commodities had risen to 111.0, while the level for cotton products had reached only 106.9. One year later the all-commodity level had reached 115.4 while the cotton products level while also rising, nevertheless continued to

lag at 113.6. (Survey of Current Business, U.S. Dept. of Com., Feb. 1971, pp. S–8-9; Feb. 1972, pp. S–8-9.)

If we go back to the index that used 1957–59 as 100 we will find that by 1968 the wholesale price index on cotton products stood at 105.2 compared with 104.5 on the basis of 1967 equalizing 100. In other words very little price movement had taken place between the 1957–59 base and the 1967 base so far as cotton products are concerned.

The evidence as reflected in cotton-products price movement does not support the claim that import quotas of themselves raise prices. The index for household furniture from 1968–71 was respectively 103.9, 108.3, 111.6, ending at 115.5 in December 1971. It kept pace with the all-commodity index, while the index on cotton products, as just noted, fell behind.

Yet household furniture was not "protected" by an import quota. The wholesale price of footwear, also without benefit of an import quota, moved from 104.8 in 1968 to 109.1 in 1969, to 113.9 in December 1970 and on to 117.1 in December 1971.

Motor vehicles and equipment, also without import quota restrictions, rose from an index of 102.8 for 1968 to 117.5 in December 1971. Tobacco products moved from 102.0 to 116.7. No import quota exists on tobacco products.

To maintain that import quotas lead to higher prices in the face of these facts merely represents unfounded assertion. Yet such assertions are widespread, found very frequently in newspaper editorials and columns as well as in speeches of public officials.

In a pamphlet recently issued in 1970 by the United States-Japan Trade Council it is asserted (p. 10) that "Textile Quotas Would Have Slight Benefit but Very High Cost."

"In sum," it says, "proposed textile quotas would be enormously costly to the United States.

"Quotas would accelerate inflation, raising clothing prices to consumers.

"They would boomerang against U.S. export sales and harm the economics of port cities."

Against this cry of alarm, the wholesale price trend of cotton textiles of the past ten years while these products have been under import limitation, stands as a complete rebuttal.

PETROLEUM

A favorite whipping boy of those who say that import quotas raise prices is oil, or petroleum. An import quota was established in 1958, first on a voluntary basis, followed by a mandatory quota, effective March 1959.

The wholesale price of refined petroleum products expressed in an index form, where 1957–59 equals 100 had risen to only 100.3 in 1968 and 101.8 in 1969.

The more recent price index is based on 1967 as 100. By that measure the 1969 price stood at 99.6 and rose in 1970 to 101.1 for the year as a whole but reached 107.5 in December of the year. However, the December 1971 level was at 106.1, representing a slight decline. This level compares with that of all commodities, as already given, at 115.4 for December 1971, where 1967 equals 100.

"All commodities," of course, include those on which we have import quotas. Therefore it will be desirable to compare the refined petroleum price level with that of other products that are not subject to an import quota. If we select another fuel, namely, coal, which has no import quota and should therefore not be so free to move upward in price because it is not "protected," we find a sharp contrast. The wholesale price index where 1967 equals 100 stood at 103.7 in 1968, rose to 112.5 in 1969 and zoomed to 175.8 by December 1970 and on to 190.2 by December 1971.

Surely if there were an import quota on coal, the quota would be blamed for this runaway price. Obviously other factors were at work.

We find, in other words, that the wholesale price of refined petroleum increased distinctly less than wholesale prices of all commodities and very much less than the price of its competing energy fuel, namely, coal. (For confirmation, see Survey of Current Business, U.S. Department of Commerce, Feb. 1971 and Feb. 1972.)

SUGAR

Yet another product that is under import quota control is sugar. This quota has been in effect antedating World War II.

In 1955 the retail price of sugar was 10.4c per lb. Ten years later (1965) the price was 11.8c. In 1968 the price was 12.2c. In 1969 it was 12.4c and in December 1970 it was 13.5c. By December 1971 the price had reached 14.1c. (Statistical Abstract of the U.S., 1970, Table 530, p. 349; and Survey of Current Business, Nov. 1970 and Feb. 1972, p. S–29.) The increase in retail sugar prices from 1955 to December 1971 was 35.5%.

If we compare the retail price increase of sugar from 1955 to April 1971 with the increase in other food products, i.e., with those that were free of import quotas, we would be hard put to it to maintain that the sugar quota was costly to consumers. A brief table will serve adequately:

RETAIL PRICE IN CENTS PER UNIT

Product	1955	1971 (April)	Percent increase
Sugar (pound)	10.4	13.7	31.7
Bacon (pounds)	65.9	[1] 79.5	[1] 20.6
Potatoes (pounds)	5.6	8.4	50.0
Apples (pounds)	15.1	23.5	55.6
Onions (pounds)	8.1	13.4	65.4
Lettuce (head)	16.4	30.2	84.1
Tomatoes (pounds)	27.4	52.1	90.1
Chickens frying (pounds)	57.4	40.8	[2] 28.9

[1] The average 1970 bacon retail price was 94.9 cents per pound. This was 39.9 percent above the 1955 level.
[2] Decline.

Source: Statistical Abstracts 1972, table 541, p. 344.

The index of all food retail prices rose 40.8% from 1955–1970 or 29% more than the retail price level reached by sugar in 1971. (Stat. Abs. 1971, Table 540, p. 343.)

It follows that the sugar quota also cannot be used to demonstrate that import quotas raise prices unreasonably, or even as much as the rise in other prices.

WHEAT

Wheat is under a severe import restriction that permits less than 1% of domestic production to be imported, in pursuance of a limitation imposed under Sec. 22 of the Agricultural Adjustment Act in 1941.

The price of wheat (hard winter, No. 2, Kansas City) has fallen quite sharply in recent years. The price per bushel was $2.22 in 1950. In 1955 the price was $2.25. By 1960 the price had dropped to $2.00. In 1968 it had sunk to $1.46 per bushel, and in January 1972 it was $1.62.

Corn is not the subject of an import quota. The 1950 price (yellow, No. 2, Chicago) was $1.50 per bushel. In 1955 the price was down to $1.41. The decline, as in the case of wheat, continued. In 1960 it stood at $1.15; in 1968 it was $1.14 and in January 1972 it was $1.22 (yellow, No. 3, Chicago. The difference from No. 2 is very slight, as note, that in 1968 the price of No. 2 in Chicago was $1.14 while that of No. 3 was $1.11). (See Statistical Abstract of the U.S., 1969, Table 504, p. 343; and Survey of Current Business, February 1972, p. S–27).

Comparing the price trend in wheat with that in corn we find that from 1950 to January 1972 the price of wheat *dropped* 27% while that of corn dropped only 23%. *Yet it was wheat and not corn that was "protected" by an import quota.*

Since 1960 the price of wheat dropped from $2.00 per bushel to $1.53 in May 1970, a decline of 23%. The price of corn, by contrast, *rose* from $1.15 per bushel in 1960 to $1.30 in May 1970. This was an increase of 13%. Thus while the price of the "protected" wheat dropped 23%, that of corn which was not under import quota, rose 13%.

In comparison with other commodities the price of both wheat and corn has dropped while the other prices rose rather sharply, especially in recent years.

RAW COTTON

The price of raw cotton has also declined. The decline was greater than that of wheat and corn, dropping from some 34¢ per lb. in 1951–55 to some 22¢ in 1970 or by more than 35%. Yet raw cotton imports have been limited under Sec. 22 of the Agricultural Adjustment Act for many years to a quantity less than 5% of domestic production. (Statistical Abstract of the U.S., 1972, Table 965, p. 592.) A decided increase in the price of raw cotton has occurred in the past year, bringing it to 32.9¢ per lb. in January 1972 (Survey of Current Business, February 1972, p. S–39.) No change has been made in the import quota to make it in the least more restrictive. Therefore the cause of the rise must be sought elsewhere.

DAIRY PRODUCTS

Dairy products have enjoyed an import limitation under Sec. 22 of the Agricultural Adjustment Act since 1953.

With a base of 1957–59 equaling 100, the wholesale price index of dairy products stood at 94.0 in 1955, at 105.0 in 1960. In recent years the price rose to 118.5 in 1966, to 127.7 in 1968 and on to 136.5 in October 1970. This was an increase of 30% since 1960, and compares with an increase since 1960 of 24.9% in wholesale price of "Farm Products, Processed Foods and Feeds," which, of course, includes grains, on which the price, as we have seen, dropped considerably and pulled down the average.

Where 1967 equals 100 the wholesale farm price index stood at 108.8 in 1969 compared with 108.2 for dairy products. In 1970 the two indexes were 111.0 and 111.2, respectively. By December 1971 the dairy product index had moved slightly ahead to 117.4 compared with 115.8 for farm products as a whole. The dairy index while moderately outpacing farm prices in general did not run wild. Dairying has, indeed, declined quite sharply per capita. Milk produced on farms was less than 1% higher in 1968 than in 1950, despite the considerable increase in population. The number of cows and heifers kept for milk declined by more than 40%. The loss of the butter market to margarine has had a very harsh effect on dairying. Unquestionably these factors have influenced the price of dairy products much more than the import quota.

The wholesale price of agricultural machinery and equipment on an index base of 100 for 1967 rose to 118.6 by December 1971. This was a shade higher than the 117.4 reached by dairy products. Yet, there is no import quota on this machinery and equipment. Moreover, agricultural implements are duty free! If imports exert such a salutary effect on prices the effect must have failed in this instance.

MEAT—BOVINE

In 1964, a ceiling that would trigger a quota if imports of beef should breach the ceiling, was established by law. Once when a breach was imminent in 1970, the ceiling was lifted slightly to permit more imports. In 1971 an actual import quota was imposed.

It will be of interest to examine the trend in beef prices.

MEAT PRICES—WHOLESALE

It is true that meat prices have moved upwards since 1964, the year in which the ceiling legislation was passed. The U.S. Department of Agriculture, Statistical Reporting Service, keeps an account of prices on cattle meat, hogs and sheep.

The 1964 average price of beef was $18 per 100 lbs. In January 1971 the price was $25.80, representing an increase of 44%. Prices rose in 1971, reaching $29.80 in December. The rise continued in 1972, up to $32.60 in February. This was an increase of 80% since 1964. The table below shows the price trend from 1964:

BEEF PRICES

Year	Amount per 100 pounds	Per 100 pounds	
		Date	Amount
1964	18.00	January 1971	25.90
1965	19.90	April 1971	29.10
1966	22.20	July 1971	28.40
1967	22.30	October 1971	29.10
1968	23.40	December 1971	29.80
1969	26.20	January 1972	31.40
1970	27.10	February 1972	32.60

This record of beef prices may be compared with that of hogs (pork):

HOG PRICES

Year	Amount per 100 pounds	Per 100 pounds	
		Date	Amount
1964	$14.80	January 1971	$15.20
1965	20.60	April 1971	16.00
1966	22.80	July 1971	19.10
1967	18.90	October 1971	19.50
1968	18.60	December 1971	19.70
1969	22.20	January 1972	22.70
1970	22.70	February 1972	25.70

From these tables, to repeat, we find that beef prices rose from $18 per 100 lbs. in 1964 to $32.60 in February 1972, an increase of $14.60 or 80%. We find also that pork prices rose from $14.80 per 100 lbs. in 1964 to $25.70 in February 1972, after having reached a peak of $27.40 in February 1970. The rise from 1964 to February 1972 was $10.90 per 100 lbs., which is to say, 74.0%, or a shade less than the price of beef.

However, at the pre-1971 peak, which was $28.80 for beef in March 1970, and $27.40 for pork in February, beef had risen 60% since 1964, the year the import ceiling on beef was established, while pork had risen 85% compared with 1964.

In 1971 the price of both beef and pork again rose after declining. Beef went from $25.90 in January 1971 to $32.60 in February 1972, representing an increase of 26%. During the same period hog prices rose from $15.20 to $25.70, an increase of 70%. In other words pork prices during the 14 months ended in February 1972 rose over twice as fast as beef. Yet, *it was beef and not pork* that was and is under import restriction.

Thus, while beef prices did rise more than the general wholesale price level and more than other farm products in general, the rise was little different from that on its companion product, pork, which had no import restriction. Indeed in the past year pork prices rose more rapidly than beef prices.

In 1970 beef prices dropped to $24.50 from $28.80 in March. Could this drop have been explained by the relaxation of import restrictions? Hardly, since the price of pork dropped from $27.40 to $15.10 in the same period; and there were no import restrictions to be relaxed.

STEEL PRICES

In the case of steel an international arrangement was concluded toward the end of 1968 under which the principal foreign suppliers of this country agreed to limit their exports to the United States. The arrangement took effect at the beginning of 1969.

According to the Survey of Current Business of July 1970, the wholesale iron and steel price index, where 1967 equals 100, stood at 106.1 in December 1968, or immediately before the export restriction by other countries took effect. In December 1971, the index had moved to 125.3. This was a rise of 19.2 points or 18%.

The index for all commodities had risen to 115.4 in December 1971 from 100 in 1967. However it had already reached 109.8 in December 1968, ahead of steel by 3.7 percentage points. The wholesale prices of iron and steel exceeded the rise of all commodities since 1967 by 10 percentage points. This is a somewhat serious rush ahead of the general price level, but not so when the earlier lag just mentioned is taken into account, nor when compared with the rise in nonferrous metal prices which jumped from a base of 103.5 in 1968 to 130.0 in May 1970, an increase of 26½% percentage points. Among the metals that made up these rising prices were nickel, copper, aluminum, lead. The increase was 25%.

Also, the wholesale price of coal far outstripped the price of steel, rising from a base of 103.7 in 1968 to 140.2 in December 1971. Coal, as it happens, is an important raw material used in the production of steel.

Neither nonferrous metals nor coal have import restrictions in effect. The rise in price in each instance was well in excess of the rise in steel prices.

There is nothing in the price trend of iron and steel since 1968 that would support the inflationary charge leveled against import quotas, especially when other metal prices which were not under a quota rose appreciably more sharply, and also coal.

PEANUT PRICES

Another product that is under an import quota limitation is peanuts.

The Department of Agriculture reports the season-average prices of peanuts annually; and these are available through 1971.

Peanuts are under price support and an import quota limitation established in 1953 under Section 22 of the Agricultural Adjustment Act.

The 1953 "season average price" was 11.1c per lb. By December 1971 this average price had risen to 13.6c per lb. (est.) or 22½%. The wholesale price of "all commodities' increased from 81.8 in 1950 to 115.4 in 1971 where 1967 equals 100. This was a rise of 41%, or nearly twice the rise in the price of peanuts.

CONCLUSION

The experience with peanuts as with the price trend on all the other products that are under quotas except dairy products, supports the conclusion that import quotas cannot be saddled with the objection that they are inflationary.

What might indeed be said is that one of the prime purposes of our import quota or similar limitation on imports is to *prevent* a drop in prices to a level so low that it would be disastrous to domestic producers but that might still return a profit to foreign exporters to this country because of their lower costs.

To say that the purpose of quotas is to raise prices is to say that to date nearly all our quotas have failed becasue most of them have not succeeded in keeping up with the general price level. They could then apparently be discarded with safety; but that is not the essential purpose of the quota.

However, the fact that prices might break through the floor if the quotas were removed, and thus produce an untenable price level for domestic producers, be their product textiles, sugar, petroleum, wheat, peanuts, meat or steel, represents the motivation for such quotas as a preventive measure, rather than a windfall or the possibility for gouging the consumer.

A further condemnation of the import quotas is expressed by the notion that under their protection producers will become complacent and inefficient. The whole record of the agricultural price support program, sustained by import quotas, stands as a complete refutation. Output per man-hour in agriculture has risen phenomenally and surpassed the increase experienced in the industrial field. One reason lay in the yet greater return to be gained under a guaranteed price and limited acreage if the yield per acre were lifted, and this was unquestionably the moving incentive toward greater effort. Assurance of a merely fixed return that could not have been increased by greater effort would hardly have led to the great increase in productivity.

UTAHAN HEADS DELEGATION TO MOSCOW

Mr. BENNETT. Mr. President, while the recent secret mission of Henry Kissinger to Moscow has captured national attention, another American vital to the success of the upcoming talks between President Nixon and the Soviet leaders has quietly been laying the groundwork at the Kremlin for the summit meeting. He is Brig. Gen. Brent Scowcroft, who, I am proud to say, is a native of Utah.

General Scowcroft, who was born in Ogden and educated in the Ogden school system, traveled to Moscow last week at the head of a 25-man team. These specialists are working with their counterparts in the Soviet Government to insure that the talks next month will be productive.

I am proud that a Utah native has been charged with such an important responsibility, and I know I speak for all Members of the Senate in wishing General Scowcroft and his team Godspeed on their vital mission.

An article published in the New York Times of April 21 details the background of General Scowcroft. I ask unanimous consent that it be printed in the RECORD.

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

ADVANCE MAN IN MOSCOW—BRENT SCOWCROFT

WASHINGTON, April 20.—Brig. Gen. Brent Scowcroft, the head of the advance party in Moscow preparing for President Nixon's trip there, is described as a "very quiet and very forceful man" who has specialized in Russian affairs during his Air Force career.

General Scowcroft, the President's military assistant since Feb. 1, arrived in Moscow yesterday with 24 other officials to make final arrangements for Mr. Nixon's visit, scheduled to begin May 22. The general's mission is a touchy one, considering the renewed American bombing of the Soviet Union's North Vietnamese allies.

General Scowcroft, who is 47 years old, seemed to be well equipped for the task. He spoke Russian, he concentrated on Slavic studies while earning a master's degree and a doctorate, and he has held senior planning positions in the Pentagon.

"COOL AND DECISIVE"

An officer in the Pentagon who has worked with General Scowcroft said his most lasting impression of the man was that "no matter what kind of pressure is put on him, he's cool and decisive."

Others said that he is "extremely intelligent," "hardworking," "a deep thinker who isn't carried away by the problems of the moment," and "a man with a great deal of common sense."

Before going to the White House, General Scowcroft, then a colonel, was special assistant to the director of staff of the Joint Chiefs of Staff, Gen. John W. Vogt. General Vogt has just gone to Saigon to command the Seventh Air Force and direct the bombing of North Vietnam.

While in the Pentagon, an associate said, General Scowcroft took interest in the enlisted men there. "He was deeply concerned about the welfare of the men," the associate said.

To keep trim, the general goes skiing, plays golf, tennis and squash, and swims when he has time. He is also a crack shot with a pistol and has won medals in sharpshooting competitions.

His wife said that he won a medal at a ski meet while they were in Yugoslavia, where he was an assistant air attaché from 1959 to 1961. Yugoslav military officers invited all the military attachés to a skiing party and General Scowcroft won first prize in the races.

"When I tell people this," Mrs. Scowcroft said, "he says that it embarrasses him. He says that it's not fair to compete with Indonesians in skiing."

General Scowcroft was born in Ogden, Utah, on March 19, 1925, and attended the Ogden city schools. He graduated from West Point in 1947 and entered the Air Force, in which he earned the wings of a fighter pilot in 1948.

The general and Marian Horner were married on Sept. 17, 1951. They have a daughter, Karen, who is 13.

General Scowcroft received his master's degree in 1953 from Columbia and a doctorate there in 1967, and he studied at the Georgetown University School of Language and Linguistics. In addition to Russian, he speaks Serbian and Croatian.

He has attended the Naval Strategic Intelligence School, the Armed Forces Staff College and the National War College. He has served in the Defense Department's Office of International Security Affairs, which has been called the Pentagon's State Department, and in the Air Force's headquarters dealing with matters concerning the National Security Council.

Inquiries about General Scowcroft brought a string of plaudits from officials in the White House and the Pentagon, and a compliment from his wife: "He's a modest man. But I'm not modest about him."

RAILROAD BRANCH LINE ABANDONMENT—A THREAT TO ALL OF RURAL AMERICA

Mr. MONDALE. Mr. President, the abandonment of rural railroad branch lines is a widespread problem. Unless something is done about it now, it could get much worse. Ultimately, we could end up with many communities throughout rural America having no rail service.

For the information of Senators, I would like to submit, for the RECORD, a selection I have made of some recent news articles concerning the issue of abandonments.

Recently, a comprehensive series was written by Tom Weyandt and published by the Mankato Free Press, Mankato, Minn. Also, the Farmers Union Herald, in its March 14, 1972, edition carried an article by Eric Rasmussen, about rail abandonments in the State of Nebraska. The Worthington Daily Globe, another of Minnesota's fine papers, on April 12, 1972, had a startling article which pointed out that 1,425 miles of rail in Iowa may be abandoned. And nationally, Farm Journal's Top Op featured an article by Bob Coffman and Gene Logsdon on "What To Do With a Pair of Rusty Rails?"

Mr. President, I ask unanimous consent that these articles be printed in the RECORD at this point.

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

[From the Mankato (Minn.) Free Press, Mar. 23, 1972]

ECONOMIC ILLNESS OF RAILROAD IS SPREAD TO RURAL AREAS

(By Tom Weyandt)

The Wabash Cannonball, The Super Chief and The Soo are dead.

Rural freight service in Minnesota is dying. Those who give a damn about the decline of railroad service seem to be an extremely small minority.

Railroads carry 41 per cent of the nation's freight, they only turned a profit of 2.367 per cent in 1970, the worst profit margin of any major industry.

Railroads carry 46 per cent of all meat and dairy products, and 74 per cent of all canned goods and frozen foods.

Labor Department officials claim that if the nation's railroads closed down for one week, the Gross National Product would be off by 6 per cent, and an eight week shutdown would cut the GNP by 24 per cent and unemployment would go up by 22 per cent.

Railroads today pay more than 24 per cent of their revenues in taxes, while truck lines pay 5 per cent, buses just under 5 per cent, airlines 4 per cent and barge lines nothing. The nation's railroads are sick, and some of the disease in likely to spread to an already shaky rural economy.

In February the railroads got the green light to close 16 stations in the Mankato area. Track abandonments are being considered from Sanborn to Wanda and from Albert Lea to Hollandale.

The Public Service Commission (PSC) chairman, Ron Anderson, says his department has no jurisdiction in track abandonment cases. The Interstate Commerce Commission (ICC) makes the determination in track abandonments.

"There have been a great many of these abandonments in the past four or five years. We've opposed almost all of them and we lost every case."

The ICC wants a certain amount of revenue shown to prove it should force the companies to keep the lines open. It usually relies on the figures the companies present, and the formula generally only consists of the question of whether or not the companies say they are making money.

No one disputes the fact railroads are losing money on some of the rural trunk lines, but the big question is whether the companies should be allowed to abandon the lines with a low profit margin and only retain the highly profitable lines.

Cy Carpenter, acting president of the Minnesota Farmers Union, says his group has asked for a moratorium on track abandonments in the Midwest.

"We feel that there should be an investigation of the entire transportation business. Congress should study the problem closely to see what is practical and feasible in correcting the problems.

A look has to be taken at the total financial picture of the rural community, he believes, and this has to be put into a relationship to the total input into railroads from agri-business. The railroad companies can't have all the cream and not take the skim milk too."

Carpenter said the same factors that spurred the growth of railroads in the 19th Century exist today.

Communities have an even larger amount of grain and agricultural products to ship out to the nation, and the nation needs them more and faster than ever, he declared.

Congress has been considering the Surface Transportation Act of 1971 for several months. The bill, also known as the Hartke-Adams bill after the authors, U.S. Sen. Vance Hartke, D–Ind., and U.S. Rep. Brock Adams, D–Wash. would shift the major emphasis of federal programs from other forms of transportation to railroads.

The Hartke-Adams bill is designed to help insure the survival and continuing improvement of all surface transportation modes. Part of the bill is planned to allow carriers to improve and expand their equipment and facilities without being forced to borrow at unreasonable or prohibitive rates.

The plan would establish a government corporation to lend railroads and other carriers up to a total of $5 billion in actual loans or loan guarantees. Loans would be repaid over a 15-year period, to the Treasury Department, which would be in charge of the program.

Railroads say this money would give the needed shot in the arm to start a renovation program. Estimates are that the railroads would have to spend $36 billion over the next 10 years to improve and modernize their facilities.

Two other provisions of the bill would provide railroads with the ability to circumvent some of the federal red tape they claim has caused so many problems.

One of the provisions would make it possible for carriers to adjust rates quickly to comply with needs and demands of the markets. The ICC would retain the authority to reject rates if it determined they were out of line, but the cumbersome machinery now in use would be abolished.

The second sweeping provision of the Hartke-Adams proposal, and the part that is meeting the most opposition, would make it possible for the railroads to abandon trackage that is losing money by notifying the ICC 45 days in advance.

On its own initiative, or on a complaint of a customer, the ICC could hold up the abandonment for as much as six months. The abandonment would take effect after this period unless the ICC found first that it was against public policy and secondly that the railroad could at least get back its operating expenses.

This provision would speed up the abandonment procedure, which the railroads claim is one of the biggest problems to date.

States would also be required to spend at least 5 per cent of all federal highway funds allocated to them for grade-crossing improvements. There are still 180,000 unguarded crossings in the nation where 1,500 deaths and 3,700 injuries occur annually.

Members of the Minnesota congressional delegation don't look favorably on the bill. One said the abandonment clause as it stands in the Hartke-Adams bill, would make the abandonment procedure too easy.

Further study should be made of the situation before any action is taken, he said.

The Nixon administration has sponsored a similar bill through the Department of Transportation.

Two provisions of this bill are viewed with alarm by several groups. This bill would make it possible for railroads to abandon lines with 30 days notice, as compared to 45 days notice under the Hartke bill.

From the consumer's standpoint the Nixon bill offers a very succulent provision.

The provision would remove the anti-trust exemption of the transportation industry's rate making bureau.

The rate making bureau is a quasi-judicial body that meets regularly to set the freight rates for the nation's carriers. The group, which in effect fixes prices for the entire transportation system, meets under the auspices of the ICC. But since awarded the exemption from anti-trust legislation the companies have been able to set prices arbitrarily, but uniformly, across parts of the nation.

The removal of the anti-trust exemption is a two-sided coin, however.

It would make the carriers more competitive, which would probably result in a drop in freight charges. This drop would cut the cost of consumer goods, and presumably the cut would be passed on to the consumer.

On the other side the increased competition would speed up the demise of some of the rail companies, which is exactly what is affecting rail service to rural areas.

Railroads claim their profit margin is so slim that any reduction would put them out of business. The companies are unable to update their equipment to meet current needs, they claim, and experts say there is going to be a 40 per cent increase in the amount of merchandise that will have to be shipped by rail in 1980.

The Nixon proposal also provides for $3 billion in loans and loan guarantees, and direct grants of $35 million to the rail companies.

Local officials are wary of these provisions for grants and loans contained in both proposals. They feel the money will be spent to maintain the main lines in the highly profitable areas, and not provide any relief for the rural communities. They even claim these infusions of funds may increase track abandonments.

[From the Mankato (Minn.) Free Press, Mar. 24, 1972]

OFFICIALS ASK TEMPORARY END TO RAIL ABANDONMENT

(By Tom Weyandt)

Minnesota's DFL Sens. Hubert H. Humphrey, and Walter F. Mondale, have co-sponsored a concurrent resolution calling for a moratorium until the end of 1972 on all railroad track abandonments in the nation.

Humphrey said it was inconsistent to start federal programs designed to encourage rural growth through federal departments when other federal departments are allowing the railroads to choke off rural America.

Mondale contended recent attempts to produce an SST aircraft and a space shuttle were aimed at providing jobs.

"The main argument for the SST and the shuttle is that these projects will create jobs and boost the economy," he says. "Revitalization of the railroads serving America would create jobs, too, and it would directly benefit more people by bringing new life to rural areas."

The senators asked that all abandonments cease until investigations can be started to produce an overall comprehensive notion of the needs of the country in regards to transportation.

Such a study has been quietly started in Minnesota by Gov. Wendell Anderson.

Anderson sent a letter to the heads of five state departments asking them to investigate and determine the criteria for measuring the impact of railroad abandonments on the economic activity in Minnesota. The objective of the study is to set up a state policy on abandonments that is practical, reasonable and equitable to all concerned parties.

The group will attempt to gather data from a variety of sources, but the biggest obstacle will be trying to gather information from the railroads themselves.

Many officials privately admit they are skeptical about validity of the economic data railroads give during line abandonment procedures.

The formula that has come under the most fire is the contention of the railroad companies that they must ship a minimum of 34 car loads of freight a year for every mile of track in operation. The provision has been incorporated into the guidelines used by the ICC, who recently proposed to raise the rate.

Anderson intervened in this case and asked for public hearings on the proposal. The public hearings are being set up and Roger Baker of the Department of Economic Development is collecting data for an orderly presentation.

One case where the governor intervened provides an insight to the problems. The governor asked that hearings be held on the track abandonment from Sanborn to Wanda. In December of last year the governor received a letter from an ICC official that stated that hearings would be held, but that testimony would only be accepted in writing.

The governor's office learned that the Chicago and Northwestern Railroad had requested that no public hearings be held. The governor again requested hearings in the area, and, in a strongly worded letter, said input from all concerned parties should be accepted. The hearing was finally granted, and the case is still being studied.

Anderson is also sending Agriculture Commissioner Jon Wefald to the hearing April 24 in Redwood Falls to offer suggestions in the abandonment case at Wanda. Wefald presumably will oppose the abandonment, and will once again ask that abandonments be halted for the rest of the year.

Wefald offered several remedies to the rail problem.

His first suggestion would be federal subsidy.

"People are just going to have to realize how important rail service is to the country, and they are going to have to see that certain amounts of money are going to be spent on transportation."

His second alternative would be the nationalization of rail beds, with the rail companies paying an annual charge for the use of tracks.

The most innovative suggestion that Wefald made was that co-operatives be set up to provide the needed services.

"Something on the line of the REA, which everyone claimed wouldn't work back in the 1930's, could conceivably be set up to deal with the problem.

"Farmers and businessman in rural communities could band together with the help of the government, and they could start operations that would at least get the rail service extended out to the main transportation lines."

Wefald said that for decades railroads have used the profits that they made shipping agricultural related goods to invest in non-railroad enterprises rather than purchasing and repairing equipment.

"I think it is about time that we reverse the trends, rather than let the trends dictate to us."

[From the Mankato Free Press, Mar. 25, 1972]

FIRMS, SHIPPERS HIT BY RAIL PROBLEMS

(By Tom Weyandt)

The main problem with saying railroads can't abandon any trackage is that this type of measure would almost force the government to subsidize the rail industry for unprofitable trackage.

The cost of buying existing facilities would be anywhere from $28 to $60 billion at the current fair market value.

The money would have to come from taxpayers, and equipment that would be purchased is largely outdated or obsolete. The cost to repair and replace the needed equipment is estimated at $36 billion over the next 10 years. The money would come from the taxpayers.

These figures, when combined with the past records of attempted nationalization of an industry, usually choke off any type of serious debate on the issue.

Locally the situation varies.

Some communities would feel the impact of lost rail service much greater than others.

Gordon Frank, manager of Frank Brothers elevator in Winnebago, says his operation would be hurt by a loss of service, especially at harvest time.

"When the roads are closed because of high water, or when we have a large volume of shipments, it's nice to have two outlets," Frank says.

"That way we can choose between trucks or rail, and over the long run, rail usually is cheaper."

Loyal Koenck at Huntley Feed and Grain says the removal of rail service would be disastrous.

"During April and May when there are load restrictions on the highways we wouldn't be able to ship a thing," Koenck says. "If the Milwaukee Road left, we wouldn't be able to ship any grain, fertilizer, anhydrous ammonia, or anything, and that would put us right out of business."

One place where the railroads have proposed service discontinuance is from Sanborn to Wanda.

In 1966, the Farmer's Elevator in Wanda was assured rail service would be continued.

On this promise the co-op spent more than $200,000 for a new corn handling unit which was completed in October. Now the railroads are proposing that the line be abandoned, and if they are forced to keep the line open it would be the first time the ICC ruled in favor of the local businessmen.

Joe Welder at the Blue Earth Farmer Elevator says he has been very happy with the railroads for the past four or five months.

"We've shipped 385 cars since May 1, and we've had real good service so far," Welder says. He added that his company would have to invest considerable sums in trucking equipment if the rail service was discontinued.

Several grain elevator officials claimed that they wouldn't miss the rail service, mainly because they either are on a major highway with direct access to their market, or their shipments are so small that they can just as profitably ship by truck.

Carpenter says he is concerned that many members of the Farmers Union, and people in the rural communities in general, don't seriously consider the impact of a loss of rail service.

"What we need to do is develop a practical service for today's needs and services," Carpenter says.

Carpenter says the ever increasing influx of rural families into urban areas is cause for major concern. He says increased costs in government services will outstrip the possible revenues than can be obtained through current taxing methods.

"The average family on welfare in New York has a higher annual income than the average farm family in Minnesota. This is a very unhealthy and unfortunate situation, and the decline of rail service is going to ensure that such things continue," Carpenter said.

The rail companies rest their case for abandonment on an economic basis, and also on the poor condition of the track beds.

Rotting ties and bent rails have been cited the factors in a number of abandonment cases. The companies claim that to repair or replace the tracks according to specifications would cost more than what it's worth.

Carpenter says this assumption is true in some cases, but that the companies use specifications for the tracks that would pro-

vide adequate service for trains that travel at 60 miles an hour.

"No freight train travels at 60 mph, so why spend all that money to repair the beds to this level," Carpenter asks.

Some proponents have called for nationalization of the rail beds, with the companies paying annual fees for the use of the beds. This would allow federal spending to repair the beds and meet the necessary specifications.

This provision would place the same emphasis on railroads that the trucking industry has enjoyed in the construction of highways.

The costs of highways are increased by 20 per cent on the average to provide adequate beds for heavy trucks that carry freight across the nation, and airline taxes will fall $3.2 billion short of paying for airport improvements that will be needed in the next 10 years.

Trains can move one ton of freight for a fifth the fuel, a sixth the accidents, and a tenth of the land required by trucks.

When the government starts paying as much attention to freight service as they have to passenger service through Amtrak rural freight service will start to thrive.

The President of the Southern Pacific Co. proposed the nation's passenger service be reduced.

"In my view, Amtrak's function should be to provide for an orderly shrinkage of rail passenger service," says Benjamin F. Biaggini.

"Amtrak is trying to operate far too many miles of service to fit either the money or the demand it has."

He proposed that instead railroads be allowed to provide service in a "few appropriate places—such as as New York, Boston, and Washington."

Railroads are the only way that the amounts of input and output goods that flow in Southern Minnesota, as well as rural areas of the entire nation, can be shipped. To do all the work by truck would increase highway congestion to the strangulation point.

The comprehensive plan proposed by Humphrey and Mondale will have to be completed to provide the needed information that will convince officials of the need for rail service.

The record of Amtrak doesn't provide an admirable model to date, but it is doubtful current trends in rail operations are going to prove beneficial to rural Minnesotans.

BRANCH LINE FORECAST BLEAK

(By Eric Rasmussen)

Abandonment! Not a pretty word to anyone. Not a word any of us like to think about, much less say it out loud—but, I'll say it again, Abandonment!

In 1930, Nebraska had around 6,200 miles of railroad track. Now, we have about 5,500. That's a difference of about 700 miles—not too big a deal over a 40-year span. The ICC is presently considering applications for abandonment of 176 miles of track in Nebraska. Again—not too very big of a deal.

But wait a minute. The Nebraska Railway Commission recently asked the Northwestern railroad to give us a long-range plan of their expected operation. They admitted that during the next ten years they plan to abandon over half their track mileage in Nebraska. The Burlington Northern will give us their report shortly, and we expect it and all other lines to submit similar reports.

There are a little over 2,000 miles of mainline track in Nebraska today; these are lines which go to the state's borders and then continue beyond. This means there are about 3,500 miles of secondary and branch line track today. If the railroads proceed with the abandonment schedules which are indicated, in 1980 there will be only about 700 miles of railroad track in Nebraska which is not on these mainline routes.

If this happens, Nebraska becomes merely a flag stop state. All the Great Plains states will be in the same position.

It hasn't come as a surprise that abandonments are taking place at a faster and faster pace. Not too long ago, an official of the Burlington Northern stated publicly: "The day of train service to country elevators is almost gone."

How did we get into such a mess? Everybody deserves a share of the blame. Deterioration of the branch lines and of the entire railroad operation progressed on a gradual scale for many years. During World War II, we were busy with other interests; after that, we were pretty apathetic until, all of a sudden, the problem stares us in the face.

The result of public disinterest has been that the laws have become totally outmoded and many times completely unrealistic. Railroad management has been rightfully blamed for many of the problems concerning the industry, and mile after mile of track has been allowed to deteriorate to the point where salvage value nearly exceeds revenue-producing ability.

Let me give you some examples of the inequitable laws and frustrating circumstances which confront those who are responsible for railroad regulation.

Nebraska law presently states that if a railroad does not maintain quality tracks and standards, they can be ordered to cease operation. Fifty years ago, that law was appropriate, but today it only speeds up the pace of abandonments.

A branch line in Nebraska had a bridge wash-out last year. The Railway Commission directed that the bridge be repaired and service restored. The railroad filed for abandonment of the line, stating this would create an unsupportable burden on their revenues; the case is now being considered by our supreme court.

These are illustrations of outmoded laws. What about new legislation? The previous law stated that no railroad crew would work a route requiring more than 16 hours to complete. Congress has now changed this to 14 hours and in another year the restriction will be reduced to a 12-hour continuous operation. It is easy to see that next year's 12-hour rule will reduce service on marginal lines even further; lines where a round trip cannot be made in 12 hours.

One more factor is that of attitude; the attitude of railroad management, of labor, of the customer, of the lawmakers and of the people responsible for regulation. A spirit of cooperation has not always existed, but surely the time has come when it must exist.

After all, the farmer depends on the local elevator, which depends on the transporter and the merchandiser, who depends on industry, which depends on the consumer. The important question is not who is at fault, but what can be done about it. There are many ideas, theories and proposals; here are a few:

Nationalization is one alternative. It would cost the federal government at least $60 billion to purchase the nation's railroads, and the government still would have to pay for the improvements so desperately needed.

Another program has been suggested by America's Sound Transportation Review Organization, known as ASTRO. This study has the full support of all the nation's railroads. Here are some of the proposals contained in this report:

Elimination of state and local property taxes against railroads.

Creation of a single transportation trust fund to apply to the needs of all modes of transport.

Government guarantees of up to $400 million annually on private loans to railroads.

Aid in getting locomotives and cars that a railroad is unable to finance on its own.

Funds for more research.

Relaxation of rate regulations, and creation of a single government agency to regulate all forms of transportation equitably and impartially.

It is estimated that this program would cost $36 billion by 1980, and that the railroads would themselves generate three-fourths of the cost.

We've taken a look at some of the proposals on the federal level. Is there anything we need to consider on an individual basis? I think so. We in the midwest have merged farms for a more efficient operation, but have been extremely slow to merge grain elevator operations for similar efficiency. Before we add to our investments in a widespread country elevator system, we had better take a long, hard look at the problems of the railroads and gauge our actions accordingly.

One elevator network and the railroad branch line network have similar futures, but the agricultural community has a lot more at stake financially than the railroads in the solution of this branch line problem. We'd better wake up and make sure our voice is heard; we'd better all become politicians—and darn good ones.

[From the Worthington (Minn.) Globe, Apr. 12, 1972]

ABOUT 1,425 MILES OF RAIL IN IOWA MAY BE ABANDONED

DES MOINES.—Representatives of three railroads testified before the Iowa Commerce Commission Tuesday that they may abandon as much as 1,425 miles of track in Iowa.

Most of that would be abandoned by the Chicago and North Western Railroad. Officials of the C&NW told the ICC it has 1,200 miles of track in Iowa regarded as unprofitable and without potential for future profits.

J. R. Feddick, general market manager of the C&NW, said the 1,213 miles of line the railroad eventually plans to abandon constitutes 46.3 per cent of the company's total trackage in the state, mostly branch lines.

The management regards the abandonment of the unprofitable lines as necessary to establish a "viable railroad system," he said.

The C&NW was the first railroad to present testimony at the meting. Most of the morning was taken up with a slide presentation.

Commission Chairman Maurice Van Nostrand said the commission is concerned about planned railroad right-of-way abandonment in the next five years. Since the 1972 legislature did not act on legislation to establish a Department of Transportation, he said, any planning toward a comprehensive state transportation system must be done by the commission.

"This commission does not have the authority to compel the railroads to continue operations on those branch lines that are clearly unprofitable," Van Nostrand said, and he added that it wouldn't do that if it could.

"Our mission here," Van Nostrand explained, "is not to abuse Iowa's railroads, but to try to develop plans and programs that will make it possible to expand into the future the contributions historically made by those organizations to the economic well being of this state and its people."

He said the commission wants to know if an Interstate Commerce Commission proposed standard of 34 cars per mile per year as the dividing line between profitable and unprofitable railroad operation, is valid.

Van Nostrand noted that 72 per cent of the intra-state revenue of Iowa railroads comes from grain shipments.

But he said the commission needs to know why, with more grain being produced and more freight being moved by rail every year, "the railroads appear to be convinced that their success depends on an ever-contracting plant."

It also needs information on the part the Iowa property tax structure and railroad union work rules play in weakening the rail-

roads' ability to compete with other modes of transportation.

Feddick said a relatively large per cent of the grain produced in Iowa is moved by truck "because of market and price." This is true because the railroads have a "static" freight structure while the rate structure for trucks and barge lines is more flexible, he said.

The railroads have considered developing a system of moving grain to river points on both Iowa borders for further shipment via barge to terminal markets and have handled some business this way, Feddick said.

But on short mileage hauls, he said, "trucks have a definite advantage" over railroads on money making potential.

Van Nostrand questioned Feddick about the location of the Sara Lee plant at New Hampton on a C&NW line the railroad now says is being considered for abandonment.

Feddick said he knew railroad officials recommended against Sara Lee's location on that line when the plant was built but it built there anyway.

Van Nostrand, however, read into the record a statement he said came from a letter to him, written by a person who was "closely involved" in negotiations to get Sara Lee to locate in New Hampton.

The letter said C&NW urged Sara Lee to locate on the railroad's line in New Hampton, but that after the plant was built it then balked at running sidings to the plant until reminded of commitments the railroad had made in writing.

Van Nostrand also questioned Feddick about the C&NW line through Harlan, another marked for closing. He said Harlan is a good business town of 5,500 and it seems incredible to him that it can't produce sufficient rail business to make railroad service profitable.

M. J. Reid, C&NW assistant chief engineer, said the Interstate Commerce Commission's 34 cars per mile standard for profitable railroad operation is "quite comparable" to the railroad's standard, which calls for abandonment of a line that does not earn $7,000 a mile.

Asked by Van Nostrand why the C&NW has had "derailment problems" on its line from Des Moines to Kansas City, Reid replied that this was a line taken over by C&NW when it merged with the Chicago Great Western in 1968.

The former CGW line wasn't built for the heavy traffic it suddenly absorbed after the merger, Reid said. But he said the C&NW has been upgrading it and "I think we're pretty well out of the woods now."

Donald H. King of Chicago, vice president of the Burlington Northern Railroad, said his company has no formal "master plan" for wholesale abandonment of rail lines in Iowa or any other state.

He said the Burlington doesn't regard the 34-car rule as an "operational standard" for abandonment of lines, but as a "procedural" standard.

WHAT TO DO WITH A PAIR OF RUSTY RAILS?

(By Bob Coffman and Gene Logsdon)

America's railroads are in a mess. And if the problem isn't solved soon, you, and the businesses that serve you, are going to bleed again, right through your pocketbook. As one angry grainman remarked, watching trucks bypass his glutted elevator because he couldn't get freight cars, "It's not enough for agriculture to be an efficient business. We have to rely on railroads, government and labor—the most inefficient humpty-dumpties in the whole darn country."

Bills are now being submitted to Congress which would do something about that inefficiency and they come not a moment too soon. While the Department of Transportation (DOT) estimates that our transport system must be equipped to handle a 40% increase in freight ton-miles over current levels by 1980, railroads are predicting they will have to abandon 35% to 40% of their branch lines over the next 10 years. "For Iowa, I'd say that's conservative," says Maurice Van Nostrand, chairman of the state's Commerce Commission. *"We'll lose that much in five years."*

A railroad map of Iowa looks like a fish net made to catch very small minnows. The cross-hatching is so close, almost every farmer is within 12 miles of a railroad market depot. But whereas a novice might consider that an advantage, it's a catastrophe by modern transportation standards—something left from the horse and buggy days when trucks were just a Henry Ford dream.

Even the railroad's detractors admit that the basic problem is simply that many short-haul lines have been made obsolete, especially by the awesome federally-funded, new highway system. And barges can beat the rails on some long hauls. As railroads lose business, rates rise to compensate, causing further loss of business. Service diminishes; maintenance becomes appalling. Derailments are rising. Track and roadbeds are deteriorating, increasing the number of "slow orders." Some cars are in such poor shape, the shipper has to turn them back to the railroad, then wait forever for a replacement. Even when railroads try to modernize they can't always follow through. The big new 100-ton hopper cars could relieve the freight car shortage, but many branch lines and trestles are too weak to handle them.

But the problem runs deeper. (The railroads say that they cannot cope with change fast enough because of too many government regulations—and almost everyone agrees.) "Some carriers, notably railroads, are in severe financial straits," James Beggs, acting Secretary of Transportation, said last year. "A major cause appears to be the presence of outmoded regulatory constraints."

To combat the situation, new transportation bills are breaking out like hives in Washington. Some of them itch more than others. The two most important proposals Congress is now hearing testimony for and against, are the Surface Transportation Act (S 2362) and a tongue twister called the Transportation Regulatory Modernization Act (S 2842). The former is a bill proposed by the carriers themselves; the latter is DOT's proposal, often called the Administration's bill. In essence, the DOT bill would ease regulations in an effort to create a more competitive climate between various modes of transportation. The carriers want more regulations in some areas, a freer hand in others.

The bills concern themselves with the whole spectrum of transportation problems, but would directly affect farmers in at least two areas: rate regulation and rail abandonment procedures.

Rates: Railroads' cost advantage lies in long hauls. But regulations now in effect inhibit their ability to attract more long haul traffic because they cannot lower rates to remain competitive with other carriers. Conversely, short haul rates are regulated below cost and cannot be raised to an efficient operating level. The DOT bill calls for a gradual change, with appropriate safeguards, to a rate structure based on *cost*.

Carriers are not so keen on moving towards a more competitive climate. One of the crucial points in their proposal—for farmers—is to change present rules that exempt truckers of ordinary livestock, processed poultry, milk and eggs, redried tobacco and shelled peanuts from regulation.

"This is particularly alarming," says James Krzyminski, assistant general counsel of the National Council of Farmer Cooperatives. "It would represent only the first step in what might become an attempt to remove the exemption for all agricultural products. Actually, it's the same kind of move that almost brought drivers of farm trucks under regulation last summer. It could only mean increased costs and less flexibility of operation. *For those farmers who are going to lose rail service anyway, this move to regulate trucking in agriculture could be a death blow.* We're urging farmers everywhere to oppose the carriers' bill forcefully. We see little in it to help shippers."

Assistant Secretary of Agriculture Richard Lyng, testifying before the Subcommittee for Surface Transportation, spoke sharply against this section of the carrier's bill. "USDA studies of frozen fruits and vegetables before and after being declared exempt show that without regulation rates were lower and service better. With regulation, rates increased, and service became poorer."

Railroad Abandonment: Both bills would make it easier for railroads to abandon unprofitable lines. Carriers propose abandonment upon 45 days notice unless the ICC ordered an investigation; in that event, the Commission would have to reach a decision in six months. "This means that a country elevator operator might find himself out of business 7½ months after he found out his line was being abandoned," says Krzyminski.

The DOT bill would require a 30-day public notice and a Commission decision within six months. However, where abandonment was found justified, and yet substantial injury to shippers or receivers would result, the carrier would be required to maintain service for an additional six months. The carrier could then legally abandon the line, but the parties involved would be free to negotiate an arrangement among themselves whereby service could be continued.

"No one is arguing that all branch lines must be saved," says Robert Graves, director of transportation for FS Services, Inc., a four-state regional farm supply cooperative which uses railroads to ship some 600,000 tons of fertilizer every year. "But we are worried by some of the formulas being advanced to determine eligibility for abandonment. One put forth suggested that less than 34 freight cars per mile of track per year would qualify for abandonment. That's a lot of cars. We think a better gauge might be the value of commodities shipped."

"We don't think railroads should be saddled with loss," agrees Krzyminski, "but we don't want shippers to take a beating either. Since they are talking about a $5 billion subsidy to the railroads, we want it set up to benefit shippers, too.

"Also, we object to the way railroads consistently refuse to give prior notice of abandonment. It usually comes as a complete surprise. We are urging that railroads be required to file publicly those branch lines that are candidates for abandonment 12 to 24 months ahead of time, so shippers have time to make other plans."

"We have asked the five railroads operating in Iowa for maps showing which lines will probably be abandoned in the next five years," says Van Nostrand. "Some lines are cooperating."

One reason railroads are hesitant to publish plans for future abandonment is mergers. "If two roads have parallel lines and they merge, you can be on a mainline today, and a branch line tomorrow," says Graves.

What can you, a producer, a shipper do? If your elevator is next to rusty rails, start thinking trucks. And let your congressman know why you need the agricultural exemption from regulation in motor freight. Push for subsidies that help shippers, too, not just the railroads.

NOBODY'S WAR BUT HANOI'S

Mr. BENNETT. Mr. President, the more I see President Nixon in action, the more I am convinced he will be recorded in history as one of America's greatest Chief Executives.

When the controversies of the mo-

ment, including the war in Vietnam, have faded, and the President's critics have received their scant footnotes in the history books, Richard Nixon will be remembered for his courageous action in the face of intense opposition.

No problem has proved tougher than the winding down of the war in Vietnam and the termination of American participation there. However, as the President's message last evening demonstrates, his program will continue to succeed despite the onslaught from North Vietnam. All Americans have good reason to be very proud of their President and his courageous leadership.

Mr. President, John P. Roche wrote an excellent column on the war and the fact that it is neither "Johnson's War" nor "Nixon's War," but Hanoi's War. I ask unanimous consent that the article published in the Washington Post of April 27, be printed in the RECORD.

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

NOBODY'S WAR BUT HANOI'S

(By John P. Roche)

When the North Vietnamese launched a conventional invasion of the South, complete with Soviet-made T-54 tanks and other heavy equipment, you might have thought that the question of who was doing what to whom would be conclusively settled. This was straight, naked aggression. Not even the most dedicated opponent of the war could argue that amphibious tanks were being constructed in peasant huts by the Viet-cong.

Yet in subsequent weeks we have heard some of the strangest explanations of what allegedly occurred: some commentators have virtually suggested that President Nixon personally sponsored the invasion. When the bombers went north, the howl went up that we had escalated the war, and Sen. J. W. Fulbright suggested that we had provoked Hanoi by breaking off the Paris talks. Fulbright's logic was bizarre—in effect, he said that since we had refused to give the North Vietnamese what they want, they had no recourse except to go for military victory. The submerged premise of this extraordinary syllogism is, of course, that they are right and we are wrong.

Similarly, a letter to The New York Times from eight members of the House of Representatives contained this remarkable paragraph: "The President of the United States has called off the regular (Paris) meetings . . . And only this week the United States launched a massive air attack on both South and North Vietnam. In short, there are no signs of any moral leadership on the part of the administration to end the killings and the destruction of countries now." (4–16–72)

The Congressmen did not even mention the North Vietnamese invasion!

The harsh fact is that in terms of the arrangements made in 1968 as a precondition for a full bombing halt, the President was completely justified in taking the air war to the north. There has been a great deal of fudging about whether or not the Hanoi regime accepted any "understandings" and some people seem to have had odd memory lapses. What occurred in 1968 was that we insisted as a precondition for a total bombing halt that Hanoi agree (1) to respect the inviolability of the DMZ; (2) to cease shelling the cities of South Vietnam; and (3) to permit American aerial reconnaissance of the North.

It is true that Hanoi's representatives never signed on the dotted line; there is no formal piece of paper. But the President of the United States was assured by the Soviets that Hanoi would go along with these terms. Without that assurance Lyndon Johnson told me he would never have agreed to a total halt: "It would be strictly a one-way proposition"

This is not just a matter of recollection. At the time. Secretary of Defense Clark Clifford went on CBS-TV, "Face the Nation," and said in response to a question about the quid pro quo we had extracted from Hanoi, "The situation is that we had certain understandings reached with the North Vietnamese in Paris. They involved the DMZ and the shelling of the cities and the question of reconnaissance. There is the area of agreement." (12–15–68).

What Hanoi has done in the last few years is lay the groundwork for a heavy invasion through the DMZ. Four roads were built and supplies were stockpiled immune to air attack. And then they came in. They have been rocketing Saigon and other cities. In sum, they broke the agreement and, to repeat, Mr. Nixon is correct: all bets are off.

"Johnson's War," in other words *has not* become "Nixon's War." The war is now and always has been "Hanoi's War."

NEW PROGRAMS FOR NAVY ENLISTED PERSONNEL

Mr. TOWER. Mr. President, today many men and women serving in the armed services receive valuable training and experience. However, as I have indicated on numerous occasions, I am deeply concerned that at the present time, their training receives limited recognition in the civilian world. Furthermore, these skilled veterans often have difficulty in consolidating the academic credits they earn while in the service in an effort to obtain a college degree.

I have followed with interest the many recent developments which seek to correct this situation.

I ask unanimous consent to have printed in the RECORD an article published recently in the Washington Post and a news release of George Washington University Medical Center which describe a new program which will enable many Navy enlisted personnel who train as hospital corpsmen to earn college degrees in the allied health sciences while in the service. I applaud this innovative and encouraging project.

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

[From the Washington Post, Apr. 5, 1972]

NAVY, GWU PLAN MEDICAL TRAINING

(By Jules Asher)

Many Navy enlisted men who train as hospital corpsmen may soon be earning college degrees in the allied health sciences from George Washington University.

Up to now, enlistees have not had the opportunity to earn degrees through Navy technical training schools and much of their course work has gone unrecognized in civilian life.

Beginning in May, a curriculum leading to an Associate in Science degree in X-Ray technology will be offered jointly through the university and Navy hospitals at Bethesda, Md.; San Diego, Calif., and Portsmouth, Va.

It will be the first of several Associate and Bachelors-level degree programs in medical technical specialties planned under an agreement announced yesterday between GWU and the Navy.

"A young man coming into the Navy out of high school could conceivably become Navy Surgeon General in 20 to 30 years," said Capt. Edward J. Rupnik, commanding officer of the National Naval Medical Center's Naval Medical School.

The 61-semester hour X-Ray technology program will normally take 15 months to complete. It includes six months of academic work and six months of clinical experience in the specialty, as well as 12 semester hours of communications, social studies and humanities, said Cdr. C. J. Pearce, curriculum director of the Naval Medical School.

A graduate of this program can apply his two-year associate (junior college level) degree toward a four-year bachelors degree.

The Navy picks up the tab. The GWU School of Medicine helps plan the curriculum and provides an accredited faculty. The courses are administered by the GWU College of General Studies.

A comprehensive training program in the medical sciences geared to the needs of the Navy is being planned. The 30 technical specialties for which future programs are being considered include: nuclear or cardiopulmonary medicine, nuclear submarine medicine, radioactive isotopes, electrocardiography, electroencephalography and aerospace physiology.

Dr. S David Rockoff, chairman of the Department of Radiology at GWU, said such training of large numbers of health care personnel at a skill level between technicians and physicians could produce a "phenomenal" improvement in the nation's health care.

[From a News Release, George Washington University Medical Center, Apr. 4, 1972]

GW–NAVY LAUNCH DEGREE PROGRAMS FOR X-RAY TECHNICIANS, ALLIED HEALTH PERSONNEL

The U.S. Navy and The George Washington University are joining ranks to expand the educational opportunities in radiologic sciences and other allied health fields for military and civilian personnel. A memorandum of agreement signed at GW by Navy and University officials launches a major academic program leading to an Associate in Science degree.

It will be the first comprehensive program in the medical sciences designed to help meet some of the unusual needs of the Navy.

The School of Medicine will award the Associate in Science (X-Ray Technology) to candidates meeting the requirements for the 61-semester hour course, beginning in May. The curriculum will be offered at the three Navy hospitals at Bethesda, Maryland; San Diego, California; and Portsmouth, Virginia.

The Navy agreement makes it possible for enlisted personnel to earn academic degrees in the allied health sciences as an educational fringe benefit since the student fees, books, materials and instruction are contracted by fiscal arrangement with the Bureau of Medicine and Surgery and the University.

Augmentating existing technology courses offered by Navy schools, the GW University off campus courses will be taught by accredited faculty of the School of Medicine and the courses will be administered by the College of General Studies. Under the agreement the medical faculty will also assist the Bureau of Medicine and Surgery in assessing and correlating all medical training programs of the Bureau.

The Associate in Science degree program for X-Ray technicians is the first of about 30 medical technical specialties under consideration. These include: nuclear or cardiopulmonary medicine, nuclear submarine medicine, radioactive isotopes, electrocardiography, electroencephalography, or aero-

space physiology. Still others may cover basic hospital corpsmen, clinical laboratory, medical technology or preventive medicine technicians. Additional fields involve medical photography, pharmacy, operating room or surgical specialties, and deep sea diving medical technicians. In each, personnel would undertake approved course work that can be applied toward degree requirements.

Of the initial program's 61 hours, 49 are designated in the area of concentration, X-Ray technology. The remaining 12 credit hours are in communications, social sciences and humanities. An overall grade average of 2 with a 2.5 average in the area of concentration is required for the degree. (University grade averages are based on a 4 point scale.)

Dr. S. David Rockoff, Professor and Chairman of the Department of Radiology at GW, and Commander C. J. Pearce, MSC, USN, Curriculum Director, Naval Medical School, National Naval Medical Center, were instrumental in planning the curriculum and instructional base for the X-Ray technicians program, along with Mr. Earl J. Ross, Director of Plans and Programs of the College of General Studies at the University.

Participants in the GW signing ceremony were: Dr. Harold F. Bright, Provost and Vice President for Academic Affairs; Dean John Parks of the Medical Center and Dean Eugene R. Magruder of the College of General Studies, representing the University, and for the Navy: Captain E. J. Rupnik, MC, USN, Commanding Officer, Naval Medical School, National Naval Medical Center, and Commander C. J. Pearce, MSC, USN, Curriculum Director, Naval Medical School, National Naval Medical Center.

SECRETARIES WEEK

Mr. MILLER. Mr. President, the National Secretaries Association—International—this week is sponsoring Secretaries Week to honor all secretaries. This is the 21st consecutive year that this honor has been accorded to those who are the backbone of our offices.

Although yesterday was designated Secretaries Day, I would like to take this occasion to single out for praise these unsung, for the most part unappreciated heroines of the business world.

I believe we should designate one week a year to specifically recognize the vital role these dedicated people play in the life of our country.

This year's theme, "Better Secretaries Mean Better Business," emphasizes the continuing need for good, responsible secretaries in order to insure the productivity and proficiency of our offices.

To which I say: "Amen."

COMPLEXITY OF THE TAX LAWS AND PAPERWORK BURDEN

Mr. BIBLE. Mr. President, in 1970 I and several other Senators introduced a small business tax simplification and reform bill designed to reduce the tax burden on the 5¼ million small firms and their owners.

Reintroduced in the 92d Congress as S. 1615 and H.R. 7692, there are now 24 Senate cosponsors and 118 House cosponsors and supporters. The bill proposes an intergovernmental committee on tax simplifications, a business advisory council giving a significant voice to small business, which would meet quarterly, and creation of an Office of Small Business Tax Analyst within the Treasury Department to assure research and representation on issues vital to new, growing, and independent firms in our economy.

In introducing this measure 2 years ago, I stated:

In its stripped-down form, the Internal Revenue Code is still 1⅜ inches thick. Together with voluminous regulations, bulletins, rulings, procedures, press releases, manuals, forms, instructions, guidelines, and explanations, the total tax system that confronts the businessman is literally a mountain of material which is nearly impenetrable to those lacking in special tax training.

It is important to keep in mind the general rule that the smaller the business, the less will be the likelihood that it can afford highly specialized tax work by accountants and lawyers. Thus, the weight of the tax system itself is disproportionately against smaller firms.

Since 1970, matters have grown worse. To illustrate the increasing urgency of simplification and reform, I ask unanimous consent that an article from the Wall Street Journal entitled "How Five IRS Offices Advised One Taxpayer in Five Different Ways," and an editorial from the Washington Post entitled "'Income Tax Disaster" be printed in the RECORD at the conclusion of my remarks.

The Journal reports that an Atlanta businessman visited offices of the Internal Revenue Service in different parts of the country and received five different opinions as to his tax liability. This saga follows the pattern of another Atlanta taxpayer who last year visited five commercial tax preparation services and received more widely divergent advice.

Recent congressional hearings have questioned the training and honesty of some tax preparers. However, the heart of the problem, as the Washington Post points out, is that the tax laws—and the implementing forms and instructions—have grown to be so complex that even the experts cannot fully understand them.

As a further illustration, the April 7 issue of the Federal Tax Guide published by Commerce Clearing House reported that there are currently 13,745 different Internal Revenue Service forms and form letters.

Mr. President, it is the President and Congress who have created thus burden on the small businessman and the average taxpayer. Some of us in Congress are trying to do something about it. In addition to cosponsoring the Bible-Evins tax bill, one of our able Small Business Committee members, the Senator from New Hampshire (Mr. McINTYRE) has undertaken a full investigation of the total paperwork burden on small business, as chairman of our Government Regulation Subcommittee.

Unfortunately, Senator McINTYRE has found that the small businessman's problem only begins with the Internal Revenue Service, but does not end there. He has told me that it may cost the Nation's businessmen as much as $36 billion to complete the paperwork required by dozens of Federal, State, and local Government agencies and offices. The prestigious Prentice-Hall, Inc., tax information publishers said in 1964 the price tag for business was roughly estimated at $50 billion per year.

If anything can be done to reduce this crushing load, we will all be in Senator McINTYRE's debt. The subcommittee is planning hearings initially in Chicago, Boston, and Concord, N.H., before returning to Washington to hear executive department officials talk about the paperwork burden, or as Senator McINTYRE appropriately calls it, "Federal Form Pollution." We shall be looking forward to their findings and recommendations and to working closely with the Senator from New Hampshire in attempting to simplify both the tax laws and the myriad of tax and other forms with which our harassed small business community must now contend.

Mr. President, I ask unanimous consent that an article from the Wall Street Journal of April 13, 1972; an editorial from the Washington Post of April 14; and a statement issued by the distinguished Senator from New Hampshire (Mr. McINTYRE) on the paperwork burden faced by small business particularly, and the country at large generally, be printed in the RECORD at the conclusion of my remarks.

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

HOW FIVE IRS OFFICES ADVISED ONE TAXPAYER IN FIVE DIFFERENT WAYS

(By Tom Herman)

Paul Farr, an executive at a small Atlanta education company, considers himself handy with figures. Nevertheless, this year he drew the line at figuring, on his own, one set of calculations: his U.S. income tax return. Form 1040, he says, "gives me fits."

The return of Mr. Farr (not his real name) is no more complicated than that of millions of other U.S. taxpayers. He is married, has three dependent children and lives in a handsome frame-and-brick home that he bought late last year when he moved to Atlanta from a Northern state as the result of a job change. His 1971 income consisted of $22,560.14 from the two jobs, $5,600 from pension and profit-sharing plans, $81.53 in interest and $86.75 in dividends. He itemizes his deductions.

Except for one year when he retained the services of an accounting firm, Mr. Farr has always prepared his own return. He wasn't pleased with the results that year. The advice, he says, turned out to be partly erroneous, and the accountants' bill came to $150.

This year, he considered taking his return to a commercial tax-preparation agency, which would cost less than the accountants, but he decided against this move when he heard that the Internal Revenue Service had launched a nationwide crackdown that resulted in dozens of arrests of allegedly dishonest commercial tax practitioners. (Earlier this week, Secretary of the Treasury John Connally said the government had recently run a survey on several hundred non-taxpayer-prepared returns from the southeastern U.S. and had found some 97% of them to be "fraudulent.")

TURNING TO THE EXPERTS

What, then, is a man to do? Noting the publicity the IRS has increasingly been giving its own taxpayer-assistance program, Mr. Farr decided that help from the service itself might be his solution. Although the IRS won't fill out a taxpayer's form unless he is blind, disabled or illiterate, it will answer all tax questions free of charge and will show the taxpayer where the answers should be entered. And after all, Mr. Farr reasoned, who could be more expert in IRS matters than the IRS itself?

At the suggestion of this newspaper, Mr.

Farr agreed to submit his questions to IRS offices in five different cities: Atlanta, Des Moines, New York, San Francisco and Rome, Ga. I accompanied Mr. Farr on his visit to the Atlanta IRS; in the other four cities, I was alone and explained that I was a friend helping Mr. Farr with his return. The purpose of the multiple meetings was to test the depth and consistency of the IRS experts.

If consistency were to be judged on whether the offices said "we owe you" or "you owe us," the five IRS offices were consistent: All said the government owed Mr. Farr a refund. The amount of the refund, however, was another matter, with a $307.04 difference separating the most generous office (New York) from the most niggardly (Atlanta). Their computations were as follows:

City	Refund
Atlanta	$177.14
Des Moines	211.88
Rome, Ga.	338.04
San Francisco	394.68
New York	484.18

The disparity in the final results isn't surprising in view of the fact that the five IRS offices differed among each other in most of the steps taken to arrive at these results. Most, for example, disagreed on a matter that might be considered basic and clear-cut: the number of forms necessary for Mr. Farr to fill out. The New York and San Francisco offices both said four, but Des Moines said five, Atlanta said six, and Rome said seven forms were required.

Mr. Farr was flabbergasted, but expert tax men say they aren't at all surprised by the discrepancies. U.S. tax laws, they say, are sufficiently complex to invite a host of differing interpretations. And even more important, they add, helping taxpayers with their returns is generally considered one of the less attractive tasks at the IRS and is therefore performed by low-level, or even part-time, workers. "For the most part, the majority of the tax helpers are younger agents; some like it, but the vast majority don't," says a former IRS agent in Atlanta.

William F. Culliney, director of the Taxpayer Service Division of the IRS, says there are about 2,620 taxpayer service representatives in 781 offices currently dispensing advice across the country. About 1,000 of these workers are temporary and earn about $100 a week, he says, and another 1,220 are permanent employes who advise taxpayers the year round and earn between $138 and $175 a week. The remaining 400 are from other IRS divisions and assist taxpayers during the filing season; members of this latter group, Mr. Culliney says, are usually "top-notch" and earn about $300 a week.

GENIUSES AND MISTAKES

A spokesman for the IRS says, "I wish I could tell you we employ nothing but geniuses who never make mistakes. Unfortunately, it just isn't so." He adds: "You've got to remember the heat of time breathing down everyone's back. You're getting 100 to 150 queries a day, and if you take time to research something in depth, you may have one happy taxpayer, but you'll also have nine mad ones."

Adding to its burdens this year, the IRS has new manpower-training duties, among which is the responsibility for enforcing the wage-price controls. At the same time, a record number of taxpayers are pouring into IRS offices to seek help. Officials of the service are predicting that the volume in the fiscal year ending next June 30 will easily surpass the record 35 million taxpayers helped in fiscal 1971.

For all these reasons, it isn't unusual that a taxpayer like Mr. Farr should receive conflicting advice from different IRS offices. To be sure, the great majority of taxpayers seeking IRS assistance approach only one office and rest content—or unhappy, as the case may be—with that office's opinions. Nevertheless, a close look at the progress of Mr. Farr's forms through five offices illustrates not only the inconsistencies of "final authorities" but certain uniformities in the taxpayers-assistance process as well.

One such uniformity is the location of the IRS office, which in most cities is in a central downtown area in a federal office building. And after locating the office, the taxpayer is almost certain to discover a fact of IRS life that, based on experience in five cities, seems to be a second uniformity: a lengthy waiting period before any assistance is rendered.

My experience with Mr. Farr's forms in New York was illustrative of the delay factor and not at all atypical of most big-city IRS operations. After entering the IRS Manhattan office at 120 Church St., the taxpayer is handed a number designating his place in line—and the lines get longer every day as the April 17 deadline approaches. (My Church Street visit occurred in mid-March and involved a wait of 45 minutes before my number was called.)

Delays, however, don't end when the taxpayer's number is called. After being escorted to a chair at a long, rectangular table, the Manhattan taxpayer will discover that more often than not the tax expert is shared by several other taxpayers; the IRS employe answers a question or two from one and then turns to another, sometimes leaving the first speaker in mid-sentence.

IRRITATIONS IN STRIDE

Most taxpayers take such irritations in stride, but many register extreme annoyance when they discover that the IRS refuses to fill out forms. "Why on earth do you think I came all the way down here?" an elderly woman querulously asked an IRS man in New York. "I have no idea what to do with all these here forms. My dear late husband used to take care of it, and he knew how to handle figures."

But no matter how plaintive the plea, IRS helpers won't put their pens to a taxpayer's papers. They also frequently refuse to double-check or otherwise calculate a taxpayer's arithmetical calculations. (In New York, however, when a young man complained to the IRS man that "the main reason I came down here was to make sure I don't make any stupid math errors" and then threatened to call the helper's supervisor, the IRS man agreed to go over the taxpayer's calculations.)

The various constants encountered from office to office, however, are overshadowed by one major difference: the advice that is dispensed. And in Mr. Farr's case, the differing counsel largely concerned his itemized deductions, his moving expenses and his pension plan income. (Mr. Farr claimed no medical deductions.)

On the question of moving expenses (the proper amounts for which are deducted prior to arriving at the taxpayer's adjusted gross income) only the Des Moines and the Rome offices said that $381 in closing costs associated with Mr. Farr's purchase of his Atlanta home could be deducted. The other three offices advised him that such costs weren't deductible until he sold his new home.

(According to the IRS guidebook, "Your Federal Income Tax, 1972 Edition," Des Moines and Rome were correct. "The cost (sic) of selling your residence or settling your lease at the old location and purchasing a residence or acquiring a lease at the new location are deductible," the book states. "This includes broker's commissions, attorney's fees, 'points' (to the extent not representing interest) and similar expenses incidental to the sale or purchase of a home.")

In the case of Mr. Farr's $1,708.32 income from his previous employer's pension plan, the New York and San Francisco offices said this sum could be treated as a long-term capital gain (one-half of which is untaxed). The Des Moines expert, however, said the total should be treated as ordinary income and entered on Schedule B as "interest income." And the Atlanta and Rome tax assisters also classified the $1,708.32 as ordinary income but said it should be entered on Schedule E (a "supplemental income schedule" that includes entries for pension and annuity income).

SOME SIMPLE ERRORS

Concerning itemized deductions, the discrepancies among the five offices examining Mr. Farr's figures were as follows (rounded off to the nearest dollar):

	Total	Taxes	Gifts	Interest	Miscellaneous
Atlanta	$5,326	$1,897	$778	$2,645	$6
Des Moines	5,514	1,908	798	2,616	26
Rome	5,395	1,956	798	2,616	26
San Francisco	5,369	1,934	769	2,645	21
New York	5,689	1,954	1,070	2,649	16

The opinions leading to the various totals diverged in many areas and, in some instances, were the result of simple errors. Some examples of these variations:

The Rome expert used Mr. Farr's "total income" figure, instead of "adjusted gross income," as a base to compute his sales tax deduction from IRS tables. This error—and according to the IRS guidebook, it was an error—worked in Mr. Farr's favor.

The Des Moines office made a subtraction error in computing Mr. Farr's final tax. The error would have cost Mr. Farr only $2.66, but it would also very probably have delayed his refund check.

The New York assister said Mr. Farr could deduct 40% of the original value of some clothes he gave to Goodwill Industries last year. When the assister's supervisor was questioned on this figure, he termed it "ridiculous" and said it should be considerably lower. The other four offices recommended deductions between 10% and 20% (none, however, agreed with another on an exact figure).

The IRS office in New York allowed Mr. Farr a miscellaneous deduction of $10 because he partly used his home telephone for business. However, the IRS in San Francisco said $15, Rome said $20, and Des Moines and Atlanta both said nothing at all could be deducted for such telephone use.

Four of the five offices said Mr. Farr shouldn't deduct the $277.22 he spent on a resume and job counseling from a resume preparation company after he quit his old job. But the Des Moines expert said he certainly could treat the figure as a miscellaneous deduction since the firm helped him get a new job.

Finally, the offices even had differing opinions on the relative complexity of Mr. Farr's return. "Routinely simple," said the Atlanta expert. "A snap," said San Francisco. But the IRS assister in Rome said, "Your friend's form is more complicated than the usual ones we deal with here."

Whom should Mr. Farr believe? Perhaps no one. While the IRS spokesman says "there shouldn't be the difference (Mr. Farr) got" and calls the spread among the differing numbers "unsatisfactory" ("The laws aren't so wildly complex that they can't be complied with"), the fact remains that the IRS isn't bound by any mistaken advice given to taxpayers by IRS employes. According to the spokesman, a taxpayer is liable for any underpayments or penalties resulting from erroneous forms—no matter where the advice came from.

BUT LAST YEAR . . .

Although the five IRS offices that examined Mr. Farr's form had wide differences of opinion and judgment, it might be noted that another Atlanta taxpayer last April received even more divergent advice from five different commercial tax services. That taxpayer, accompanied by a Wall Street Journal reporter, was told by one of the five services that he was entitled to a federal refund of $652.04. Another service said the taxpayer *owed* the government $141, and the remaining three services cited figures (all refunds) falling between these extremes.

If the moral of the story is that "experts" don't necessarily agree with one anothers' conclusions, where does this leave the taxpayer? In Tax Court, perhaps, if the auditor in turn disagrees with the expert. To forestall such a proceeding, however, observers of the U.S. tax scene have offered a variety of remedial plans. As one possible solution, it's been suggested that the IRS allow all taxpayers a tax credit of up to a certain amount—say $20—for commercial tax help. (Current tax laws permit taxpayers to deduct tax-help fees as an itemized deduction—but that's small comfort to the millions of taxpayers who don't itemize deductions.)

According to a Treasury official, however, such a tax credit would add even more complications to the tax process and would be of little value for most of the nation's taxpayers. Those citizens claiming standard deductions, the official says, are least in need of outside help. Furthermore, he adds, taxpayers should be encouraged to complete their own returns without commercial assistance. (And paid help from outside sources, of course, provides no guarantee of accuracy—as witness Secretary Connally's recent discussion of "fraudulent" non-taxpayer-prepared returns.)

Another suggestion is that the IRS could offer to fill out the form of anyone who wants help—the theory being that the service would upgrade its taxpayer assistance program if it had to take the responsibility of filling out the entire return. Supporters of this idea note that some state tax offices fill out state forms for anyone who asks.

IRS officials say that in the past they filled out taxpayers' returns. A spokesman, however, says the service abandoned the practice "because the number of returns and their complexity became overwhelming."

"We would like to (fill out taxpayers' forms), but we just don't have the resources," the spokesman says. "You could easily spend four hours doing one guy's return. Great. So you have two or three returns done in an eight-hour day, and you've got 300 people waiting. Everything else goes to hell."

Randolph Thrower, former IRS Commissioner and now an Atlanta lawyer, says, "It is so much more constructive to have the IRS show a person how to fill out his form than to do all the work for him and thus provide him with a permanent crutch." Besides, he adds, "millions of people do their own return with a high degree of accuracy."

Maybe so. Maybe indeed a "high degree of accuracy" is all that can be expected of anyone—taxpayer and expert alike—in view of the complexity of U.S. tax laws and the numerous judgmental factors entering into the compilation of Form 1040. In any case, the millions who complete their own forms don't include Mr. Thrower. His form, he says, "is quite complicated and very time-consuming" and is therefore prepared by the accounting firm that handles his law firm's books.

As for Mr. Farr, he chose to compile his form on the basis of bits and pieces of advice from all five offices. But the refund that he's claiming is closest to that arrived at by following the advice of the New York office—whose $484.18 was the highest of all.

IRS EXPANDS SERVICE

WASHINGTON.—The Internal Revenue Service announced it is expanding its free tax-preparation and advice service after finding "wide-spread" fraudulent practices among commercial tax preparers.

IRS Commissioner Johnnie M. Walters said that of 3,200 tax preparers checked, at least 1,800 were preparing fraudulent returns. The figure doesn't include those tax preparers who were simply sloppy and erred inadvertently, Mr. Walters said.

IRS agents, posing as taxpayers, were armed with data that should have resulted in $148 of additional tax liability, but the returns came out with refunds due of up to $750, Mr. Walters said. He added that "very few" returns were prepared correctly.

The commissioner estimated that commercial tax preparers total 200,000. He said investgations are continuing and fraudulent operators are being prosecuted.

To assist taxpayers through the Monday filing deadline, the IRS said up to 15,000 technical workers are being pulled off other assignments, such as auditing returns, to help keep IRS offices open longer hours, including Saturday. Mr. Walters said that precise hours will be determined by local IRS directors according to need, but the agency is thinking in terms of 12-hour days.

The IRS said taxpayers who think their return has been prepared incorrectly can file an amended return on Form 1040–X and won't be penalized if they get it in by Monday.

[From the Washington Post, Apr. 14, 1972]

THE INCOME TAX DISASTER

The part of the annual rites of spring known as filling out the tax returns has turned into a national scandal. Millions of taxpayers, having given up because it all seems too complicated, are now confronted with the possibility that the "experts" to whom they turned for help are not experts at all. Indeed, it seems quite probable that a good many taxpayers are going to have to meet that horror of horrors, the Internal Revenue Service, face to face within the coming months and that a goodly number of professional tax return preparers may have to face something even worse, a federal grand jury.

The revelations this week of IRS Commissioner Johnnie M. Walters are staggering. He reports that a spot check in the Southeast of the work of so-called tax experts showed that more than 70 per cent had prepared erroneous returns and around 50 per cent had prepared fraudulent ones. The situation is so bad that he has thrown 15,000 additional IRS employees into local offices to give do-it-yourself taxpayers advice over the next few days, a step, incidentally, which ought to have been taken years ago.

There are, we submit, several factors which have led to this scandal. The first is the complexity of the tax laws themselves. The loopholes—call them deductions or protected income provisions if you like—in the original income tax law have doubled and doubled again, each created to meet what Congress claimed was a legitimate need but each in turn complicating the individual return and spawning dozens of questions. The second factor is the quality of the tax forms and the instructions provided by IRS itself. Representative Aspin has produced a study which says that even an average college graduate would have trouble understanding some parts of the instructions because of the way in which they are written. This may be the fault of IRS, even though it has tried to make those things understandable, or it may be simply that the law is so complex it cannot be explained in simple English.

These two factors have driven millions of people into the hands of the tax preparer. There the gullibility of a good many Americans has joined with the greediness of a good many entrepreneurs to produce the figures pulled out by Commissioner Walters. Tax service offices have sprung up all over the place, some staffed by competent people and some by those out only to make a quick buck. Many of them have competed to see which could produce the lowest tax for its clients, a kind of competition which invites the sort of corner-cutting that, in turn, leads to fraud. Many taxpayers have been conned by this—low taxes and a low charge by the expert—forgetting that in hiring a tax expert, as in a lot of other things, you get just what you pay for. There are many qualified people who prepare tax returns, of course. But we suspect that most of them don't work out of temporarily rented quarters.

The whole thing, of course, can't be blamed on the tax preparers. The tax laws are so complicated that honest mistakes and differences of opinion do occur. The Wall Street Journal demonstrated this point on Thursday in its report on what happened when the same set of facts was submitted to five IRS offices for advice. The Journal got back advice that produced five different tax bills, with a difference of $307 between the high and low ones. Nothing could argue more forcefully the case for a cleanup of the income tax laws.

All this does not do much for that sinking feeling you may have on Monday night when the deadline arrives for filing returns and amendments to returns. The fact that you have hired someone to prepare your return does not relieve you of responsibility for its correctness. If the return is wrong, you are responsible for the additional taxes, interest and penalties which IRS can assess. If it is fraudulent—that is, if it is held that you deliberately tried to cheat the government—there are criminal penalties as well. As far as the tax return preparer is concerned, he can go to jail only if he has knowingly helped you try to cheat. The best advice is to play it straight and to complain to your congressman after it is over. It is Congress, after all, that has created the legislative maze which makes tax returns so complicated.

FEDERAL "FORM POLLUTION"

(Statement by U.S. Senator Thomas J. McIntyre)

I've called this press conference to announce a series of hearings my Subcommittee on Government Regulations will be holding on what the Chicago Tribune calls "Strangulation in Triplicate" . . . and I call "Federal form pollution."

The Subcommittee plans to hear extensive testimony at a number of locations on the burden government paper work imposes upon small businessmen.

The hearings will open in Chicago on May 2 and will continue on May 4 and 5 in Boston and in Concord, New Hampshire. Further sessions are scheduled for June in Washington, D.C.

Now I would suppose that over the past 40 years few subjects have inspired more wisecracks than government red tape. But if red tape is a joke, it's a costly one, because built into it are some of the most uncomfortable issues of our time.

I've already mentioned pollution.

What else can you call 4½ million cubic feet of paper? That's enough to provide government forms for every man, woman and child in this nation ten times over!

But this avalanche of paper poses more than a recycling challenge.

It adds to inflation.

And it further strains the bonds of trust between the citizen and his government.

Let's look at costs.

The Subcommittee already has discovered that it costs $18 billion a year to print, peruse and store that 4½ million cubic feet of paper.

Taxpayers foot that bill.

And the Subcommittee also discovered that it costs the nation's businessmen another $18 billion a year to fill out the papers and return them to the government agency that sent them.

You figure that cost in terms of accountants' fees or time the businessman lost from his primary duties while he was filling out quarterly tax forms, business census forms, Social Security forms, unemployment forms, other regulatory agency forms, and wage and price freeze forms.

Now $18 billion is a lot of money to absorb.

It could put some men out of business.

It discourages other businessmen from hiring additional help.

It robs still others of the time and money they need to develop and expand.

And it encourages business to pass on to the consumer the costs of filling out forms by raising the price on products.

So the public ultimately pays *that* $18 billion, too.

What we're talking about, then, is $36 billion a year . . . a staggering amount of money equal to no less than 15 per cent of the Federal budget for fiscal 1972.

Let me put it this way:

The total costs of governmental red tape this year will be more than all this Government spent last year in health, education, welfare, saving the environment, community development and housing.

Put another way: That $36 billion would pay for 2,412,000 low cost housing units with two bedrooms each.

Now I'm not suggesting we could cut red tape costs by $36 billion a year. Obviously, we can't do away with all government forms.

What I am suggesting is the real possibility that the cost of form compliance can be cut by reducing waste, duplication and complexity.

With that in mind, the Subcommittee hearings will focus—as a starting point—on Internal Revenue Service requirements in order to see if form "pollution" and costs *can* be reduced.

Specifically, witnesses will be asked three general questions:

1. Are the IRS forms too complex for the small businessman to prepare himself or is it necessary for him to hire professional help to complete the forms according to IRS requirements?

2. Is the frequency of the forms (quarterly estimated tax withholding, estimated income tax, and Federal excise tax—plus annual reconciliations of each) such that the small businessman has an undue burden and expense? Is it possible to reduce requirements to an annual or semi-annual basis?

3. Are the administrative tax form requirements of state and local governments duplicative of Federal forms? Why can't we develop a better system of sharing information among the various governmental units?

The witness list will be made up of small businessmen, representatives of small business organizations and accounting firms, and public officials.

Now so far, I've talked of red tape costs in terms of dollars and time. But there are also costs in human terms—worry, frustration, bitterness and resentment—that are harder to measure but equally real.

These are the costs that pit the citizen against his government.

For at a time when too many citizens feel alienated from the nation's leadership and institutions . . . at a time when too many feel that government is remote and unresponsive . . . their only direct contact with it is irritating, frustrating, even demeaning.

To begin with, the avalanche of form requirements indicates to the small businessman that his government really doesn't trust him.

Why else would it require him to swear to his integrity so many times in so many ways?

And then the very complexity and frequency of the requirements seem bound to contribute to the suspicion that government isn't there to help . . . it's there to hinder.

One example: A couple operating a small hospital on the West Coast told Subcommittee aides that they are thinking about quitting because of the paperwork involved in dealing with no less than 23 government agencies.

They told the investigators: "We love the work we are doing, and our hospital contributes to society by restoring people to a useful way of life. But, as much as it grieves us, we're willing to quit."

Since I first mentioned the possibility of hearings into the paperwork burden, I've received countless letters saying essentially the same thing. Whatever the real intent, many people say government *seems* determined to badger and harass and smother the small businessman instead of helping him do a better job for himself and for the general economy.

So the hearings the Subcommittee has scheduled will be aimed, then, at seeking guidelines not only to cutting form pollution, not only to reducing costs by eliminating waste and duplication, but also to restoring trust, confidence and good will between the small businessman and his government.

With government's credibility so under question at this point in time, I think the last mentioned goal is fully as crucial as the first.

LOUIS R. PERINI

Mr. BROOKE. Mr. President, only rarely in this life is a person able to make his accomplishments equal his ambitions and goals. I have been privileged to know such a man: His name is Louis Robert Perini.

I knew Lou Perini for many years. We shared a love of sports and a love of the Nation and the Commonwealth of Massachusetts. And we shared a friendship which will be remembered and revered.

It was thus with particular sadness that I learned of the passing of this dear friend on April 16.

But Lou Perini's legacy is an enduring one. How many other men have ever been privileged to leave behind such enduring monuments as the Golden Gateway Center in San Francisco; the Prudential Tower in Boston; the locks and dams for the St. Lawrence Seaway; the hydroelectric power facilities for the city of Quebec; the tunnels at Niagara Falls, Ontario, and the Amistad Dam on the Rio Grande in Texas?

Yet, these are only a few of Lou Perini's many thousands of accomplishments. Lou Perini began his construction work at the age of 16, carrying water for his father's workmen. For 50 years he has been housing people, constructing offices, building better highways and safer factories, all over the United States, South America, Australia, and the Middle East.

In his spare time, he served as president of the Braves National League Baseball Club, selling that club to Milwaukee in 1953, and buying back part interest when they moved to Atlanta many years later. He served as a trustee for the Jimmy Fund for cancer research, and received honorary degrees from Boston College, Holy Cross, St. Anselm's College in New Hampshire, and Lesley College in Boston. He also served as a fellow of Brandeis University, and was cited by the National Conference of Christians and Jews for his promotion of racial and religious understanding.

Yet, not all of Lou's accomplishments have been in the public eye. Perhaps his greatest accomplishment is a very personal one: He has given the world seven fine sons and daughters, and 38 lovely grandchlidren.

Lou Perini left his mark on the land he loved. A man of such stature will be sorely missed, and I extend to his wife Florence, his childen, his grandchildren and friends, my sincerest sympathy and my deepest respects.

COUNCIL OF SOCIAL ADVISERS

Mr. MONDALE. Mr. President, a former Secretary of Health, Education, and Welfare, Wilbur J. Cohen, recently delivered a very stimulating address before a colloquium of the National Bureau of Economic Research. Secretary Cohen is now dean of the School of Education at the University of Michigan.

His address "The Quality of Life and Social Indicators" argues very persuasively for the need to enact legislation to help us to spend our always-limited Federal resources more wisely. I am pleased that Mr. Cohen believes that my proposed Full Opportunity and National Goals and Priorities Act (S. 5) would make an important contribution.

Secretary Cohen is but one of a growing number of officials of the previous administration who now endorse this legislation. I feel sure that officials of the current administration may well see the need for such action after they leave office.

Mr. Cohen's speech is a wide-ranging discourse on a number of significant changes in social programs that lie ahead. He talks about new approaches to leisure, continuing education for adults, the need for greater expansion in early childhood programs, the obsolescence of the property tax, guaranteed income, and ethical issues which require decision by society. In particular, he mentions the question of terminal illness and how society needs to determine how to approach decisions relating to the prolongation of life. I am happy to say that my bill to create a National Advisory Commission on Health Science and Society, Senate Joint Resolution 75, which was passed by the Senate last December, would provide an approach toward dealing with such complex questions in the field of medicine.

Mr. President, I ask unanimous consent that this excellent speech be printed in the RECORD.

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

THE QUALITY OF LIFE AND SOCIAL INDICATORS

(By Wilbur J. Cohen)

It seems to distress some past Secretaries of the Department of Health, Education and Welfare that I really did enjoy the job. As a matter of fact, on several occasions I said

I would have been glad to pay the government for giving me the opportunity to have had that particular experience. Now I have returned to university life, which I also greatly appreciate. I would rank as the two best jobs in the country being a professor and being Secretary of HEW, in that order. Both offer many opportunities to use time in a challenging way.

I am going to present here some thoughts which have developed from these two experiences of mine. I will stress some of the potential research opportunities and developments in the fields that I am particularly interested in at the present time. I am presenting some observations on current policy as well as some observations on what might be done in the development and research of policy and programs in the social arena—in eradicating poverty, improving education, and upgrading the quality of life in general. First, let me indicate three or four developments that have occurred during recent years; throughout this discussion I will be referring to them.

A LOOK AT SOME SOCIAL STATISTICS

First, rather strikingly, the amount being expended on health, education, and welfare in the nation from all sources, private and public, has very significantly increased during the last twenty years. The amount that was expended in 1950 for all health, education and welfare, from all sources, private and public, was about 13½ percent of the GNP. Last year it was 21.6 percent and was still going up. Therefore, growth in these expenditures in the past period has been very significant, and I would prophesy, for the coming decade or two, that expenditures for health, education, and welfare will continue to rise, and will approximate, by the end of the decade, something like 25 percent of the GNP.

Secondly, until May, 1971, when we received the information about the increase in the number of people in poverty, one of the most significant developments in the last ten years was the decline in the extent of poverty in the United States as defined by the Census report. We could discuss for several days what the level of poverty means—that is not part of my discussion here because that is another whole area. It is a significant fact that the number of people in poverty has declined roughly from forty million in 1959 to twenty-five million in 1970; a net decrease of about fifteen million and a drop in the population relatively from 22 percent to 12 percent—one of the most significant developments which has not been widely discussed or analyzed.

A third interesting development that has occured in recent years is a decline in the infant mortality rate. Although the United States is still about fourteenth in rank among the major nations in the world in its infant mortality rate—that is, there are another thirteen countries which have a lower infant mortality rate—nevertheless it is true that our mortality rate has been declining and so has that of other countries.

SOME FACTORS IN THE APPRAISAL OF SOCIAL CONDITIONS

Before going on to develop my topic in some detail, I should express, of course, a reservation which many of us have, and I think is increasingly of importance. I am sure many economists and, more particluarly, sociologists and psychologists will agree with me that in the last five years there is wider and wider agreement that the GNP no longer is an expression, as it was when I was younger, of the signs of economic vitality and of progress and improvement in the quality of life.

I am a product of that period when one might say, "Gee, when the day comes that we have a GNP of one thousand billion dollars a year, the millenium will have arrived, and we will have enough money for health and education and welfare and we shall not have any pollution, and we shall not have any other problems." Well, the one thousand billion dollar GNP has arrived, and it is obvious that we have more problems than when we had a GNP of seven hundred fifty billion. Now, that needs some further analysis and comment, but I believe that during these last five years a tremendous change has occurred which has a significant impact on economic as well as social science research generally.

That change involves shifting from simply economic analysis and quantitative macroeconomic aspects to what I prefer to call a quality-of-life analysis. Of course, the quality of life is not as easy to measure as the GNP, despite the fact that we have been really developing the concept of the GNP for only forty years or so. I am sure it may take at least another one hundred or two hundred years to perfect concepts of the quality of life that are going to be generally acceptable. The quality of life is a much more subjective concept than the GNP, but it seems to me to be an even more important index.

THE NATION NEEDS A "SOCIAL REPORT"

Now let me jump ahead of my analysis to say that at the end of this discussion I am going to propose a report similar to our annual Economic Report. Just as the Council of Economic Advisers produces its estimates of the GNP and gets into arguments as to whether it is $1,056 billion or $1,065 billion, or whether a 9 percent increase in this year can be achieved or not, I would like to see us estimate the quality of life. I propose that we have a Council of Social Advisers and that the executive branch of the government, in cooperation with the legislative branch, produce a social report each year that attempts to analyze the qualiy of life. Of course, some economic factors would have to be taken into account, but factors other than economic factors would have to be taken into account, but factors other than economic factors would also be given weight. And for those of you who are not aware of the fact that such a report, in a very tentative way was produced at the end of 1968, Dr. Alice Rivlin was in charge of the development of that report, a document called "Toward a Social Report," which was presented to Congress and then neglected by the Nixon Administration and forgotten.

I would also propose that, just as we have a Joint Committee on the Economic Report, which holds hearings each year, there be a Joint Committee on the Social Report, and that its responsibility would be to hold hearings in Congress and throughout the country on the quality of American life and the determination of policy issues and social indicators. It would be desirable to have a public debate on priorities and allocations of scarce resources in the whole field that makes up the quality of life. If we are going to do anything like that, it really means that the whole character of social science research, both in the government and, of course, in the universities, ought to be not only modified, but accelerated in a different direction.

What are some things that perhaps ought to be examined in connection with quality of life? In this discussion I will only consider five or six examples.

THE CONCEPTS OF WORK AND LEISURE HAVE CHANGED

One question regarding the quality of life is, "What is work and what is leisure?" I would say that during my lifetime there has evolved a vast change in definitions of what is work and what is leisure. I asked my father how many hours a week he worked when he was a young man, and he said eighty. I have not asked my children that, but I think quite frankly my twenty-two year old son does not know the difference between work and leisure. I think he defines leisure as work and work as leisure, because what he must do is what he wants to do. Perhaps this is true of only a small portion of our present young people I see on the campuses. Nevertheless, with the tremendous reduction in the hours of work and with the relative affluence of a large number of people, the whole question of leisure for a certain number of people is becoming central to their lives.

Let me illustrate this issue in another way: I talked to my father. When I asked him what was his conception of work and leisure over a lifetime, he replied, "Well, you work from the time you're fourteen to the time you're sixty and you work seven days a week, fifty-two weeks a year, and then when you get to be sixty you retire, and then you don't do anything." He is eighty-four now, and he hasn't followed that example, but that was his conception of life, work, and leisure: concentrate all your work into the period when you are able-bodied, and concentrate all your leisure into the period after you retire.

There has been a vast transformation in that whole attitude. I could put it this way: Now, people are taking their leisure during their entire lifetime; some people enjoy leisure a pretty good 90 to 95 percent of the time. The whole development of collective bargaining, fringe benefits, holidays, indicate this too. The recent act by Congress to change the series of holidays to Mondays is another manifestation of what will eventually come to be, in my opinion, four- and five-day holiday weekends. Long holiday weekends will probably come about during this coming decade or two as part of the whole reduction in the hours of work.

EXPANSION OF CONTINUING EDUCATION

I might also point out that there are several collective bargaining contracts which provide that the workers after a certain age, and after a certain period of work, get sixteen weeks off. Of course, in sixteen weeks a person could go back to a university and take one term of college credits, if he scheduled it correctly. The possibilities of adult and community education in connection with that kind of sabbatical is not to be just written off as an idle dream. I would even put it this way: I would predict that by 1985 or so we are going to have large numbers of employees, blue collar employees, who will have substantial periods off in each year in which they could go back to universities or community colleges to get more education.

What will they be educated for? I imagine there will arise the whole implication of second careers. It is entirely likely, with the vastness of technological and scientific change, that a person's occupation between twenty-five and forty-five will not be his occupation between forty-five and sixty. It is very likely that people may have one, two, or three occupations during their working lifetime. How do you retrain them? Where do they go? What is to be done? What is the role of our educational institutions, and of the employer and the union in this retraining process, especially if by that time we have the thirty-hour week, and the eleven-month year for work, with the sabbatical every five years?

I might add, there also is the possibility that we may have, as in earlier times, a large number of people whose place of work and home is exactly the same locality. Today you can find many people—husband and wife, father and son—who are running an establishment, whether it is an automobile repair place or a little restaurant or some other enterprise in which they live and work exactly in the same immediate vicinity. Whether this trend will ever become more widespread, I do not know, but it is also connected with other trends that are at work—the decentralization of industry and the concern of people about the time that is involved in travel to and from work.

IS COMMUTING WORTH THE TIME?

And here is another area which I believe is worthy of exploration—the whole problem of the time it takes to go to and from work.

I believe that in the near future, because of the tremendous traffic congestion and the lack of adequate planning of our highways and transportation system, we are going to see some very significant changes. There will be more people who do not want to spend one hour going to work and one hour coming back from work. They will avoid the unsafe conditions of driving, the necessity of having two or three automobiles, and the overall exhaustion of commuting to work.

To reduce commuting time from residential areas, many industries and businesses have decentralized. One sees that, of course, in the suburban shopping centers and parking areas throughout our country, which represent the attempt to bring the developments of American industry, business and commerce closer to the consumer. These places of business enable the mother to drop the children off at school, go shopping in the supermarket, and get back home in a reasonable period of time. If we could only work it out so that the father would not have to go twenty miles or forty miles to work, that would be another saving.

NEW FACTORS WILL INFLUENCE JOB SELECTION

What I am saying is that, concerning the quality of life, we are probably going to reach a point where people in determining their job opportunities are going to consider factors other than simply the income. We know that with collective bargaining, with continued increase in the GNP, and so on, there are going to be more and more acceptable jobs for people at certain incomes. The deciding element is not going to be so much the wage rate in 1985 as it is going to be the many other factors surrounding the employment; such as, whether an employed mother can come home at 3:00 o'clock to meet her children, whether daddy can come home in the middle of the day, and where he can park.

I believe that these factors will all have very important effects in the future, as income rises and employment conditions revolutionize. This is not exactly a wonderful time to discuss these issues when unemployment this year is over 6 percent, but I assume that President Nixon is going to try to rectify that before September of 1972, for obvious purposes. Therefore, this discussion which is related to the next decade or two overlooks that rather important current point. I believe that these long-term factors surrounding employment conditions are going to play an important part in the quality of life.

EARLY CHILDHOOD EDUCATION WILL EXPAND

Another significant thing that I think is going to happen during this decade is a growing acceptance for early childhood education. This acceptance represents a confluence of ideas in which people all agree substantially on the same thing for rather different reasons. I think that this is going to have very serious economic, social, familial and other consequences which are well worth studying. We know that the employment of women has been rising steadily over the last twenty, thirty, forty years, and appreciably since World War II, and every extrapolation of this social tendency seems to indicate a continued rise. It is, therefore, interesting that mothers are very much in favor of day care and nursery schools for their children since they volunitarily wish to go to work. It so happens, if we look at the United States Congress, they are enthusiastically for it too because they would like the women on welfare to go to work and they would, therefore, be very interested in providing day care facilities for the nearly one and a half million mothers who now have children on welfare. I believe there are eight or nine million children on welfare. Any kind of day care for a million, two million, three million of these children is not exactly a small undertaking during the next few years.

EARLY CHILDHOOD YEARS ARE CRUCIAL IN DEVELOPMENT

But, of course, the third factor underlying this movement is even more important and underscores the need for more widespread preschool education. Child psychologists, led by Jean Piaget and many others, have been showing increased concern, during the last few years, about the psychological and motivational formation of children in the very earliest years. They emphasize reliance upon education geared to these formative years. A number of people say that 60 to 80 percent of the creativity of a child is formed by the time he is six or eight years of age, and a major proportion of his motivational patterns are formed by this time. If you think that you are over the hill when you are thirty, they demonstrate pretty convincingly that you are over the hill when you are age six, at the point where you enter public school.

There are roughly about 3.7 million children in each age group at the present time under the age of six, and if we want to have an early childhood program that costs a thousand dollars per child or, what I think is a little closer to desirability, closer to two thousand dollars per child, I ask you to make your own computation per million children of how much money it would be necessary to spend if our national priorities were directed in that area. I think they will be.

PREPARATION IS NEEDED TO PLAN PRESCHOOL FACILITIES

What would be some of the impact of this? Assume for the moment that during the decade of the seventies, each year we would enroll an extra one million children in early childhood education programs, so that by the end of the decade all children from two to five would be covered. It would not only have a tremendous impact on potential expenditure figures, but the demand for teachers in this area would shift immediately from the surplus that exists at the present time to a vast shortage. The desirable ratio of teachers to students in the early childhood period is more like one to five, as compared with one to twenty-five and one to thirty in the elementary and secondary school systems. What I am saying is that the tremendous teacher surplus which now exists could overnight not only be transformed into a vast teacher shortage, but it might also, in my opinion, result in further increases in the price of labor in the elementary and secondary teaching area, which would further affect the problem of financing education.

NEW TAXES MUST FINANCE EDUCATION

This brings me quite logically to my next point. I do not believe that expanded preschool education along with other changes in the educational system can be implemented as long as our elementary and secondary education systems depend largely on the residential property tax. Millages for local education are being defeated now much more extensively than any other time in American history. And property tax millages are going down to defeat not merely in poor areas, but in middle-income and upper-income areas.

I happen to be one of those who has been criticized for urging reliance on payroll taxes for financing social security. But I would like to advise my economist colleagues that, if they would only spend half the time attacking the property tax that they spend attacking the payroll taxes, we would be further along in our improvements of education. Through the payroll tax we have obtained vast improvements in social security and health, which the economists would not have obtained for us if they had relied on general revenue financing.

But I do not believe that we can so largely rely in the nineteen seventies on the property tax. Eighteen thousand school districts in this country are relying in various degrees upon the property tax, and I would think that there is no question that we have to shift over in this decade to a greater degree of federal financing and state financing of elementary and secondary education.

If you want to go in the direction of incorporating two, three, or four million more children in the two-to-five age group into the educational system, if this is to be at a relatively much higher per pupil cost than for elementary or secondary school, because of a much higher ratio of teachers to students, it is obvious that we are talking about an expenditure in the vicinity of five, ten, fifteen, or twenty billion dollars more per year, at present prices in the educational system. All of which could not possibly be financed through the property tax, which, I need not say, is the most undynamic, unresponsive, unreceptive kind of a tax for anything like a dynamic system of education. I believe, therefore, that financing is an area for particular concern for economists in dealing with the quality of life. If we want to make very important improvements all the way from early childhood education through elementary, secondary, higher, and adult community education, we must understand that we are not going to get the extra ten, twenty or thirty billion dollars more per year needed at present prices, ten or fifteen or twenty years from now by such a large reliance on the property tax. That type of financing would mean further deterioration in the whole educational system.

WHY ARE MILLAGES DEFEATED?

Why are the millages being defeated more than ever before? I have one perception of it from my own experience in trying to get a millage passed. Whenever I spoke to people who were over the age of fifty-five or sixty, they would say, "Well, I'm going to be on a pension. If the millage goes up, I don't have any way to get the increased income. Now you younger fellows, if your costs go up, you can go out on strike and get an increase, but I can't. Therefore, I'm going to vote against the millage. It's up to you younger people to find a way to finance education. I've paid my education taxes for the last thirty or forty years. Now it's your turn."

I have noticed more and more, that as the proportion of our aged population increases, the resistance to the residential property tax has increased. Since the proportion and number of aged is going to increase continually during the next decade or two, I prophesy even greater resistance to the property tax during this coming decade than we have seen during the last.

IS THERE A GENERATION GAP IN FINANCING EDUCATION?

This brings me to another observation. There is a conflict, or a generation gap, occurring in connection with financing higher education. Student unrest in recent years has helped cause this situation. It's not hard to understand that when an educator goes to a taxpayer and says, "Look, we want to appropriate more money for our university," the response very likely will be, "More money for what? To burn down buildings? To break windows? For students to riot when they should be studying?"

Even with the past quiet year, I would argue that we are going to have a very difficult time during this next ten-year period getting more money for higher education until we resolve some of the tensions that exist in the educational system vis-a-vis the young people and the old. There is no question in my mind that the lawmakers do not feel great enthusiasm for the people who are marching, for the people who are demonstrating. Whether or not such demonstrations lead to changes in our social system, I do not think they will lead immediately to greatly increased financial appropriations for the universities.

There is another aspect to this generation gap which is worthy of a comprehensive

study by someone. The last studies I have seen on the proportion of people over age fifty-five who vote in elections indicate that around 55 to 60 percent vote. The last analysis I have seen of participation by people eighteen to twenty-four who can vote is around 20 percent. Well, I shall leave you to draw your own conclusions about the impact on legislators who, after all, provide the money. I think there needs to be some very careful attention paid to the research in voting behavior in relation to these educational expenditures and other important elements of educational policy, if we expect in the coming years to be able to get more money into the educational field.

THE CREDENTIAL SOCIETY FACES A CHALLENGE

That brings me to another current problem. The various studies that have been made by distinguished people about investments in human capital, about the value of education in terms of lifetime earnings, indicated that investment in education produced a very, very significant contribution to our economy and to our public policy discussion. But, in the last few years, I have sensed a whole new development in which there is grave questioning as to whether educational attainment is an index of either intelligence, vocational ability, status, prestige, or even income in our society. I notice more and more frequently the attacks on the credential society.

What does a Ph.D. mean? What does an M.A. mean? What does a B.A. mean? There are more and more people who have doubts about degrees. I believe if we interviewed the thousands of Ph.D.'s in physics and engineering who have recently been terminated by Northwest, we would not find a very enthusiastic response about the value of their degrees over the long period.

I believe that this whole question of the level of educational attainment in relation to both income and satisfaction as far as lifetime objectives about the quality of life are concerned, will need basic re-examination. There are more and more jobs today in which, despite the trend toward credentialism, future college credentials will no longer be recognized as the basis for advancement. I can point out employers who do not want to employ college graduates on the basis of what has happened in the last few years. They would rather take a high school graduate and put him into an in-service training program in the company than have him study four years in Madison or Ann Arbor. They believe that they are better able to produce the results they want than Ann Arbor, or Columbia, or Berkeley.

Many of my colleagues question the validity of the credential society, in which the prestige and status of certain degrees has been equated with a certain level of income and a certain status in society. It appears that this type of assurance of status is rapidly deteriorating. Whether the trend will continue during the decades of the seventies and eighties I only offer as a further question for exploration.

MORE CHOICES WILL ARISE IN EDUCATION

In any case, the movement away from credentialism probably means that we are going to have more different kinds of options for education in the future than we have had in the past. This alone will mean a whole gamut of different kinds of analyses and different kinds of programs. Suppose we were to have an educational system in which each community offered five different kinds of elementary education, and every parent could choose which one he wanted. I do believe that more options in education and in health and welfare should be offered to people. But suppose, just for the sake of discussion, that we were going to have four different patterns of elementary education beginning at age one: a Montessori School in the community, an open-walled school with many ethnic groups, a school that was very highly structured, and one that was completely experimental. I could give you other variations. There are obviously parents who want their children to have nontraditional experiences. These are not largely available at the present time. Now suppose in this next decade we did want more options in the educational system. What would be the cost implications, what would be the organization implications, what would be the problem with regard to training teachers? We would have to turn the twelve hundred schools of education in the United States upside down to take advantage of that kind of a new restructuring in our eduactional system. Yet the idea is not really an impossible one.

ONE TYPE OF SCHOOL IS NOT THE BEST FOR EVERYONE

If we are an affluent society and if we respect variations in human personality and different aspirations, why do we not have different kinds of schools? The concept of the monolithic public democratic school has served an important purpose in drawing together the citizens of this country into the American melting pot, but a monolithic structure is very unreal in the kind of society that we have now. I would offer the suggestion that some exploration of options in the school system are well worth study and well might be related to his whole quesiton of the quality of life, which is really directed, in my opinion, toward giving people more options about the things they think are important: more options in their jobs, more options in their vocations, more options in their educational systems. That seems to me to be important if we are going to be able to deal with these kinds of quality-of-life questions.

WE MUST ELIMINATE POVERTY

I believe the most important social and economic issue we face during this decade is the question of eliminating poverty. Every single question, economic, social, and political, that I touch upon in my professional and personal life always comes back to the issue of poverty in this country. I do not care if we are talking about the disadvantaged in the educational system, the access to health services for the disadvantaged, infant mortality, delinquency, or some other problem; we cannot deal effectively with those problems until once and for all we eliminate poverty from this country. No matter how we try to deal with the other problems, we are always faced with the situation that if that person had money and that person were able to satisfy himself with a certain minimum standard of life and education and housing, his other problems would be able to be dealt with in a much more effective way. While the problems of poverty are interlinked with social responsibilities for housing, access to good health and health insurance, and educational organization, it is a terrible shame in our country to put the burdens of having an inadequate health system on doctors alone, or an inadequate educational system on educators alone, or bad housing on HUD alone, when the interrelated factor of inadequate income is so important.

Therefore, I believe that coming to grips with the issue of poverty and the national income guarantee and these other things we have discussed is the number one priority of the decade of the seventies. That is why, I myself, with all my reservations about President Nixon's welfare reform, believe that this is the beginning of the most significant development of the decade of the seventies, the beginning of a new kind of policy with regard to an income guarantee.

Having said that, I would like to say that there are very important limitations. The biggest attack on poverty in this country outside of the work, free enterprise, wage, price, profit system is, of course, the social security program. If the social security program were not in effect today, there would be eleven million more people below the poverty line than the twenty-five million that I indicated earlier in this talk. The OEO program, the antipoverty program for 1964, has probably taken three people out of poverty since 1964. While I support vigorously things like legal aid to the poor and other OEO components, as a measure of reducing poverty in the economic sense, it has been ineffective. As a matter of fact, I could make an argument that it probably put more people in poverty than it took out.

The social security program is not only our biggest antipoverty program, it was also the first income guarantee program. What is social security if not a national guaranteed income program for people in the categories specified in the law. Granted, it is not universal. Granted, it is not for everybody, but it is an income guarantee. Congress says in the law, when a person reaches age sixty-five, or sixty-two or sixty under certain conditions, he gets this amount of income and if the administrator does not give it to the applicant he can go to court and get a court order requiring the Social Security Administrator to pay that money. Now, if that is not an income guarantee, I would like to know what is. What I am saying is that, after thirty-five years, we are on the verge of extending that principle outward and downward in such a way that I think by the end of this decade we are going to have a program in this country of income guarantee for everyone, and that it will be very consequential and meaningful. This will probably require an additional transfer of something above twenty billion dollars a year at present prices. I do not think the program is going to start at that level. The Welfare Reform Bill starts at about a five billion dollar level, maybe a little bit less if you subtract some of the other costs that are really presentday costs. But let us say, for the sake of argument, it is only four billion dollars. Well, nevertheless that is a start. It is a down payment, and I am willing to take the down payment if there is some indication of a commitment to moving in that direction this decade. I believe this will happen.

WHAT EXPENDITURES WOULD FOLLOW A GUARANTEED INCOME PROGRAM?

Of course, if we get to the point where we are putting another ten, or fifteen, or twenty billion dollars in income redistribution, it will have a very consequential effect of increasing the proportion of the GNP committed to these programs. I think there will be much interest in how that money is used. If you want to start your investigation now, I can tell you what purchases of things like eyeglasses for children will increase. There is no question in my mind that, when you give more money to women with children, they are going to buy eyeglasses for their children as soon as they are needed, even at a very young age. There will probably be somewhat more milk consumed than before, as indicated by a Canadian study. There will probably be more physician services for children. I could describe a series of probable changes and expenditures that would be related to this increased income. I think that would be a very important area for analysis.

WHAT WORK INCENTIVES ARE NEEDED FOR A GUARANTEED INCOME PROGRAM?

But the most important question which still needs to be answered is, "What kind of incentives are needed to induce employable people to work if they participate in an income guarantee program?" That was not the large issue in social security because most of the people in social security were unemployables; the aged, the disabled, and death cases. Now in relation to employable people, the whole question of incentives needs to be developed. In the social security amendments of 1967, there was a work incentive of disregarding the first thirty dollars a month for welfare recipients plus one third of any addi-

tional amount above that. Now, are those the right work incentives? I wonder myself.

I do not think there has really been any good study yet on what the impact of work incentives really is in different parts of the country; on male heads of families, on female heads of families with young children, with older children, by age, by race, by ethnic group. Many older people have some idea that, when you give a person a work incentive of 50 per cent, that will be sufficient. Maybe it will, maybe it will not. I think that we need many more studies on the interrelationship of work incentives to level of payments and the social characteristics of various groups before we make a final determination as economists or citizens as to what might happen.

WE ARE UNDERGOING A PERVASIVE SOCIAL REVOLUTION

What I have tried to say is that we are undergoing a revolution. But I use the word revolution in a deep and pervasive sense. I do not mean it in the sense of violence, and I do not mean it in the sense of militancy, and I do not mean it in the sense of confrontation. I believe that we are in a period of time when values, objectives, goals, insights, interpersonal relations, institutional factors, are undergoing a great deal of stress and strain, and people are changing their attitudes toward all sorts of things that previously were taken as an obvious good.

Just take the issue of the nonreturnable bottle. A big controversy can start on that kind of a question; the nonreturnable bottle with all its ecological and environmental aspects, with its effects on marketing, distribution, and cost, and with its effects on public sanitation, and so on. A little bottle can kindle a six hour exploration on the very values of human life. Do you want to live with returnable or nonreturnable bottles? The ramifications are simply terrific. And need I mention things like water pollution, air pollution, parking and second cars, and freeways? It is easy to see we are in a revolution of values and a revolution of ideas.

I think, therefore, economists, must begin to change the area and emphasis of their research from the macroeconomic, from large-scale quantitative studies, to what I call the whole area of the quality of life. The quality of life, an esoteric, ephemeral, subjective kind of a concept, but nevertheless one that is very real. People over thirty especially notice the impact of the concept when young people start right off and say that all traditional values are wrong. What do you say? I believe that such questions as pure air, pure water, relationships with minority groups, the kinds of schools for children and objectives for leisure time activity are extremely important.

ETHICAL, MORAL AND QUALITATIVE ISSUES WILL BESET US

I will take one more example to show how complicated it is to deal with the quality of life. Take terminal illness of you want to take a really complex issue. We are getting at a point in our economic ability, our medical science, and our social consciousness where it is possible to lengthen for a day or a week or a month, on the average, the life of every person who is about to die. Should we do that?

Consider the allocation of scarce resources. Consider the quality of life. Consider our access to medical care. One and three quarter million people die every year. Let us say that for a million of them, just for the sake of argument, we could continue the life of each one for a week on the average, which would mean a day for some and a year for others. Should we do it? Should we set up any guidelines? Is there any way to appraise the situation? Let us say that the effort required 10 percent of all our medical care resources and that, if we did it, we could not devote that 10 percent to prenatal and postnatal care. Is that the right social decision to make? Who should make the decision, if there was going to be a conscious decision? A decision is made to some extent now, willy-nilly, by parents, by children, by doctors, by hospitals: one could tabulate the quantitative results of all these individual decisions and do some research.

I do not have any answer to this question. It is a highly involved moral, ethical, medical, financial, organizational issue of vast implication. But if your concept about quality of life includes giving everybody a chance to live, that is one thing. If your concept includes that people ought to be able to decide when they are going to terminate their lives and then write down on a piece of paper, "When I get cancer and somebody under some accurate method determines that it is fatal, then stop giving me oxygen and so on each day." It could be worked out, I presume. I do not know how it would work. But these ethical, moral, qualitative issues are going to beset us even more in the next ten or twenty years than ever before in the history of the world. That is one of the reasons why I so urgently recommend that we begin to shift our emphasis from the Council of Economic Advisers to the Council of Social Advisers, from the Economic Report to the Social Report, from the Joint Committee on the Economic Report to the Joint Committee on the Social Report, thus becoming a nation that is beginning to investigate, to study and be concerned about these social problems.

NORTH VIETNAM THE AGGRESSOR IN SOUTH VIETNAM

Mr. TOWER. Mr. President, my admiration for President Nixon's firmness in the pursuit of peace in Southeast Asia is matched by my mystification at the position adopted by the Senator from South Dakota (Mr. McGOVERN).

It is, after all, North Vietnam which is the aggressor in South Vietnam. There are 12 North Vietnamese divisions involved in battles outside their own territory and not a single ARVN soldier is in North Vietnam. I would hope that Senator McGOVERN and all other Americans would condemn Hanoi for its aggression, rather than condemning their own Government for lending support to the South Vietnamese Army in providing for its own defense. Constant efforts to undercut the President while he is attempting to withdraw American soldiers safely from a war he inherited, only serve to bolster the enemy's morale.

North Vietnam is not going to achieve its goal of assuming control of South Vietnam either on the battlefield or at the negotiating table. I hope they do not achieve the goal, instead, by succeeding to divide the Congress and the American people.

President Nixon has made it clear to Hanoi and to the supporters of Hanoi that there will be no reward for Communist aggression anywhere in the world. His willingness to adopt this position, and the willingness of the American people to support him in this position, are the strongest guarantees of eventual peace in this world.

If Communist aggression is rewarded in Vietnam, it will be pursued elsewhere. But if it is stopped in Vietnam, it will be discouraged everywhere.

Those who would surrender in Vietnam to achieve a short-term peace now, would risk wider war as a long-run reality.

The President recognizes this and he has given Gen. Creighton Abrams the difficult task of continuing U.S. troop withdrawals safely, of protecting those Americans which remain, and of assisting the South Vietnamese in resisting the Communist invasion. I have confidence in the President and I have confidence in General Abrams. I hope the American people and Congress will back the President and back Abe.

BARBERSHOP QUARTET IN TUNE WITH AMERICA

Mr. PROXMIRE. Mr. President, recently I received a letter reacquainting me with a style of music that for generations has played to toe-tapping audiences throughout America. The barbershop quartet is truly an important part of America's musical heritage, for it is one of only three forms of music native to America. The faithful fans of barbershop harmony have carried on through the years and today this bright and happy music is having an energetic revival. The letter I received came from the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America. I would like to quote from part of that letter because it gives evidence of the great spirit and fraternal concern which is an integral part of this international society of 33,000 members and 700 chapters.

Mr. Barrie Best, executive director of the society, explained the activities of this musical association when he wrote in this way:

> In addition to perpetuating our style of music, our chapters provide wholesome family entertainment for millions of persons each year in their various communities and assist in the raising of hundreds of thousands of dollars annually for philanthropic and community projects. One example is our Society's unified service project in support of the Institute of Logopedics in Wichita, Kansas, which is the world's largest center for communicative disorders and habilitation of the multi-handicapped. Since adopting the Institute in 1964, the Society has raised, through personal donations from members and special concerts, more than $800,000, and expects to surpass the million dollar mark this year. This money has been used to aid multi-handicapped children who need financial assistance, as well as for research projects in the use of music in assisting the multi-handicapped to become normal communicative citizens.

Mr. President, it is only fitting that we salute this musical association, for it was in the month of April, 34 years ago, that 26 men gathered for the first barbershop songfest in Tulsa, Okla. Since that April 11 in 1938 the organization has grown into an American institution, and its birthday should be noted by all who appreciate merry music. I think all of us will agree that this is the kind of joyful, talented, yet public spirited organization in which all Americans can take pride. With the discord in the world today, it is a pleasure to rediscover the harmony of the barbershop quartet.

THE SACRED CONCERT SERIES

Mr. BROOKE. Mr. President, I am always proud to salute community initiative and accomplishment.

The citizens of my State are lively and creative people, and they deserve to be praised for many things. But truly, one of the most ambitious undertakings ever to be brought to my attention has recently taken place in Hamilton, Mass.

A number of townspeople from Hamilton, Manchester, and Beverly Farms, Mass., conceived the idea several years ago of presenting an annual Sacred Concert Series of musical performances. They did not limit themselves to traditional numbers. Rather, they began their series in November 1970 with a performance of Joseph Haydn's "Missa in Tempore Belli"—"Mass in Time of War"—which received resounding salutes from local reviewers and local citizens.

They followed this performance with Mozart's "Requiem," performed in the spring of 1971. And this spring they elected to perform one of the most difficult of all musical compositions, Otto Nicolai's "Te Deum," a piece which has only been sung once before in the United States.

Mr. President, what makes these accomplishments unusual and heartwarming is that this group is not composed of professional musicians, but ordinary citizens—mothers, fathers, housewives, teenagers, engineers, and secretaries. For 10 weeks they met every Saturday night and practiced their music.

These citizens took time out of their own busy lives to perfect a piece of music which they hoped would brighten their neighbor's day and make their communities proud.

I for one am proud. I love music and I am proud to represent people who have the ability to set aside their own personal problems and those of the rest of the world for a few brief hours, and sing solely for someone else's enjoyment.

I am proud to represent the merchants who supported them in their efforts, despite their own economic problems.

It has always been this type of community effort which has been at the core of this country's greatness. I find these people exemplary, and hope they will keep right on singing.

ACCESS TO THE ARTS AND HUMANITIES

Mr. TOWER. Mr. President, I have always had a deep and abiding interest in the arts and humanities, on a personal level, and a belief in their importance to the Nation as a whole. On a level equal with science and technology, the Nation should move to encourage the skills of creative imagination in the production of aesthetic objects, and to give impetus to the branches of learning primarily of a cultural character. The President has recently stated that—

We could be the richest nation in the world, the most powerful nation in the world, the freest nation in the world, but only if the arts are alive and flourishing can we experience the true meaning of freedom and know the full glory of the spirit.

These are sentiments with which I heartily concur.

Congress, working toward this goal, established the National Foundation on the Arts and Humanities in 1965. The Endowment's role is to aid and encourage the arts and humanities in America. Its primary means of accomplishing this goal is by making grants to individuals and organizations in the various fields of the arts and humanities. Most grants to organizations must be matched with non-Federal funds. The Endowment will also match donations given to them. And last, but certainly not least, there is a separate program in the National Endowment for the Arts which provides direct grants to State art councils. This concept is likewise being investigated by the National Endowment for the Humanities.

In my home State of Texas, theaters such as the Alley Theatre, in Houston, and the Dallas Theatre Center have received grants. Also, the San Antonio and El Paso Symphonies have been singled out as grant recipients. Grants have been given to such worthy projects as the bilingual theaters at Texas Tech University which tours Mexican-American areas in the Southwest. The Texas Commission on the Arts and Humanities received $75,377 in fiscal year 1971 to bring performances and exhibitions to smaller communities without normal access to major cultural centers. The National Endowment for the Humanities supports research, awards fellowships, and gives grants-in-aid to groups and individuals in the fields of language, linguistics, literature, history, jurisprudence, philosophy, archeology, comparative religion, and ethics.

In 1966, the Endowments were authorized appropriations in the amount of $10 million for national programs, $7.5 million to match unrestricted donations made to the Endowments, and $2.75 million to the individual State art agency programs—for a total of $20 million.

Under the present administration, these amounts have grown to $64,125,000 for national programs, $9 million in funds to match donations to the Endowments, and $6,875,000 for the State art agency programs, for a total of $80 million for fiscal year 1973. This shows that the budget for the Endowments has nearly quintupled the past 3 years of the Nixon administration.

I would like to add my voice to that of the President in support of the Endowment. I would like to encourage the Endowment to widen and expand State programs, especially in the humanities. I would like to see each State with a strong and locally controlled program responsive to the unique needs of the citizens of each State. Our ultimate goal should be to provide access to the arts and humanities to each citizen, regardless of financial status or proximity to metropolitan centers.

NUTRITION AND THE PREGNANT ADOLESCENT

Mr. PERCY. Mr. President, many Senators are aware of the American Medical Association's Congress on the Quality of Life which was held in Chicago last month. The Congress, attended by over 1,000 participants from a number of professional fields, focused on improving the health and general quality of life of youngsters from conception to adulthood.

Prior to the convening of the Congress, a group of specialists from several fields and governmental agencies met to prepare recommendations for the Congress for the improvement of the health and nutrition of the adolescent parent. These recommendations were then adopted by the Congress.

No group in our population is as vulnerable to the ravages of ill-health and malnutrition as the pregnant adolescent and her offspring. Good nutrition is absolutely essential to the normal prenatal growth of the fetus and its future mental and physiological development. Good nutrition is absolutely essential to the health and well-being of the teenage mother and to her capacity for a full life.

I think the evidence is overwhelming that we are not presently dealing adequately with the problems of this group. We must do a better job of coordinating and delivering a variety of supportive social services to mother, child, and family unit.

I am pleased that a small group of participants from the working group which met in Chicago will convene here in Washington on Monday, May 22 to plan an action program to implement their recommendations.

I know they will have the support of myself and the other members of the Select Committee on Nutrition and Human Needs, as well as of all other Senators, in their endeavor.

I ask unanimous consent that the recommendations of the working group be printed in the RECORD.

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

RECOMMENDATIONS OF THE WORKING GROUP FOR THE IMPROVEMENT OF HEALTH AND NUTRITION OF THE ADOLESCENT PARENT, MARCH 22, 1972

The critical importance of the adolescent period as a developmental crossroads for mother, infant and family has made this the predominant emphasis of an interagency group over the last several months. Representing national as well as regional representatives from government, private agencies and industry, the group has begun to define sources of funding, methods of obtaining and coordinating support, extending service and coordinating efforts. The following brief recommendation is offered to the Quality of Life groups for consideration, with the understanding that this is simply a beginning and will be followed by more detailed resource material, analysis of existing systems and input from adolescents as well as professionals.

Working Goal: Reduction of the adverse social, emotional and physiologic impact on the individual and society resulting from adolescent pregnancy, particularly prior to seventeen years of age.

Action Plan:

I. Provide coordinated community services through established public and private programs, to every pregnant person, with appropriate follow through, including:

Comprehensive health services.

Counselling and education for family living.

Family planning.

Nutritional services.

II. Action agencies will include coordination of all public and private agencies and institutions which have responsibility or potential service to adolescents, including:

Public agencies (federal) such as HEW, including Food and Drug Administration, Health Services and Mental Health Administration, Office of Child Development, National Institutes of Health, Office of Education, Social and Rehabilitation Services, Social Security Administration and appropriate task forces, committees, etc., Departments of Agriculture, Housing and Urban Development, Justice and Labor.

Private agencies such as American College of Obstetrics and Gynecology, American Academy of Dentistry Children, American Academy of Pediatrics, American School Health Association, American Dental Association, American Public Health Association, Community Pediatric Society, Nutritional Foundation, and many others working with children.

III. Implementation: These goals and plans will be shared with the above groups, through the Quality of Life Congress, and, following this meeting, with:

The Maternal and Child Health Committee of the AMA for action and interaction with appropriate responsible groups.

The various committees and sections of the American Academy of Pediatrics.

The Youth Committee of the American Public Health Association.

The Community Pediatric Society.

IV. Suggested courses of action include:

1. Creation of a working group composed of members and liaison representatives from private and public agencies;

2. Support from the Health and Nutrition for Adolescent Parent working group in defining sources and methods of obtaining funding, extending services and coordinating agencies;

3. Development of adolescent training programs in health and nutrition as a career;

4. Coordination of all HEW, USDA programs to mandate adequate nutrition for 209,000 pregnant adolescents and three and one-half million pregnant adults each year;

5. Work with state and local 4C (Coordinated Community Child Care) Committee to extend concern to the adolescent years.

For the Working Group: Elizabeth Aplin, M.D., Robert Deisher, M.D., Martha Erickson, M.A., Roger Meyer, M.D., Robert Smith, Ph. D., Victoria Taylor, M.S.

PRESIDENTIAL MONARCHY

Mr. CHURCH. Mr. President, war is "the most oppressive of all kingly oppressions," wrote Abraham Lincoln to his law partner in 1848. For that reason, the framers of the Constitution "resolved—that no man should hold the power of bringing this oppression upon us," the prairie statesman added. Yet, such is the situation in America today.

This development, observed by noted Boston Globe columnist Martin F. Nolan, is most obviously demonstrated by the unfortunate way in which the President and a few close advisers isolate themselves from Congress and the American people. Nolan writes:

President Nixon is surrounded by the Secret Service and the impressive moat of "executive privilege" protecting the chamberlains in his household from public scrutiny. An appearance from the royal balcony of a television studio may ensue, but otherwise a royal silence.

An active Congress that reasserts its power over the public purse is the only way that America can return to constitutional democracy.

I ask unanimous consent that Mr. Nolan's article, published in the Boston Globe of April 21, 1972, be printed in the RECORD.

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

FOG-ENGULFED PRESIDENCY

(By Martin F. Nolan)

WASHINGTON.—The American presidency these days can only be viewed through a fog of tragedy and comedy—the Punchinello performances of Secretaries Rogers and Laird before the Senate Foreign Relations Committee, the semi-virginity of presidential aide Peter Flanigan and his holy disdain for the Senate Judiciary Committee, and the phantom-like figure of the President himself.

Mr. Nixon is, with aides Henry Kissinger and H. R. Haldemann, hidden in the mists. At a time of greatest public interest, even anxiety, in the President's motivations for bombing North Vietnam, he is inaccessible, remote, mysterious.

If America were governed by a parliamentary democracy, Mr. Nixon would himself be answering questions before Sens. Fulbright, Church et al., just as Prime Ministers Trudeau and Heath must endure a daily crucible in Ottawa and London.

But President Nixon is surrounded by the Secret Service and the impressive moat of "executive privilege" protecting the chamberlains in his household from public scrutiny. An appearance from the royal balcony of a television studio may ensue, but otherwise a royal silence.

In 1788, Alexander Hamilton wrote Federalist Paper No. 69 to put down the canard that the American President in a new Constitution could become nothing more than a British monarch.

"There is no pretence for the parallel which has been attempted between him and the king of Great Britain," Hamilton wrote. "But to render the contrast in this respect still more striking, it may be of use to throw the principal circumstances of dissimilitude into a closer group:

"The President of the United States would be an officer elected by the people for four years; the king of Great Britain is a perpetual and hereditary prince. The one would be amenable to personal punishment and disgrace; the person of the other is sacred and inviolable. The one would have a qualified negative upon the acts of the legislative body; the other has an absolute negative. The one would have a right to command the military and naval forces of the nation; the other, in addition to this right, possesses that of declaring war and of raising and regulating fleets and armies by his own authority . . ."

Hamilton acknowledged that the President's military authority "would be nominally the same with that of the king of Great Britain, but in substance much inferior to it. It would amount to nothing more than the supreme command and direction of the military and naval forces, as first general and admiral of the confederacy; while that of the British king extends to the declaring of war and to the raising and regulating of fleets and armies."

In his clear, self-confident Federalist prose, Hamilton asked, "What answer shall we give to those who would persuade us that things so unlike resemble each other?" What answer indeed could Hamilton find in a world of cowardice and confusion in the national legislature called Congress and anxiety and fear among the people?

There is no practical answer. "The person of the king of Great Britain is sacred and inviolable," said Hamilton. "There is no constitutional tribunal to which he is amenable; no punishment to which he can be subjected without involving the crisis of a national revolution." God save the king.

MEDICAL CARE FOR INDIANS

Mr. FANNIN. Mr. Prseident, many of America's Indians live in remote areas and under relatively primative conditions. It has been difficult to reach many of them with adequate medical care.

Dedicated men are making a great effort, however, to provide this care. The Arizona Regional Medical program has been working on the problem.

I invite attention to a program which will start soon on the vast Papago Reservation in southern Arizona. I ask unanimous consent to have printed in the RECORD a story from the April 19, 1972, Tucson Daily Citizen, telling of a new program to eradicate strep throat as a serious threat to the health of the Papagos.

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

AMONG PAPAGOS—FIGHT TO END STREP THROAT PERIL SLATED

(By Margaret Kuehlthau)

SELLS.—A massive campaign to eradicate streptococcal disease (strep throat) on the Papago Indian Reservation will begin here next month.

The project, expected to cost about $50,000 in Indian Health Service (IHS) funds, will be aimed at about 1,600 Papago school children and faculty members.

Dr. Jack C. Robertson, director of the IHS unit here, said streptococcal disease poses a major threat to health because it often leads to rheumatic fever and nephritis, a kidney disease.

The disease is prevalent among lower socio-economic groups, according to Dr. Brendan Phibbs, the Arizona Regional Medical Program's consultant to the Papago project.

Phibbs characterized the Indians of Arizona and New Mexico as representing "a large reservoir of this disease."

Throat cultures will be taken from children and teachers in all schools on the reservation. Special clinics and other programs are expected to reach children in nursery schools and all other under-school age children on the reservation.

To assist with the program, two 22-year-old Papago Indians, Raymond Ortegas and Timothy Antone, have been sent to Wyoming for special training. They are learning to operate the new streptococcal laboratory which will be installed at the Indian hospital here.

When they return to the reservation next week, they will get additional basic laboratory training at the hospital here, Robertson said.

Phibbs said streptococcal disease ought not to exist at this date in medical history because, with the infected patient given an antibiotic, the strep germ "is one of the easiest germs to kill—of all known germs."

Phibbs, associate professor of medicine and chief of the electrocardiogram department at the Arizona Medical Center, is widely known in medical circles for a program

he initiated in Casper, Wyo. The Wyoming project has resulted in the almost complete elemination of strep disease in that area.

To the children of Casper, having their throat examined is as much a part of the school day as roll call and the spelling lesson, reports a pharmaceutical company.

As a result of Phibb's concentrated campaign to eradicate strep disease, in more than four years not one case of rheumatic fever was reported among the 14,000 school children in Natrona County, Wyoming.

Arizona Regional Medical Program (ARMP) reports that tuberculosis and streptococcal disease are two of the major infectious diseases with which the Indian Health Service must contend.

To give an idea of the magnitude of the problem, according to ARMP, "the first attempts at organizing a computerized rheumatic fever registry among the Papago Indians soon produced 30 well-documented cases of rheumatic fever out of a total population of 10,000.

"A rate of three per 1,000 is, of course, very high and this represents only the initial compilation.

"The occurrence rate among the Navajo is about 90 cases per 100,000 as compared to an overall known incidence in the United States of 1.6 cases per 100,000 population."

Phibbs said negotiations are under way with the Navajo Tribe in northern Arizona to set up on that reservation a similar project for the detection, treatment and eradication of streptococcal disease, with the program "hopefully to begin in October."

RURAL DEVELOPMENT ACT

Mr. HARTKE. Mr. President, for the past 30 years, the trend has been for Americans to move to the cities. In the years since World War II, 30 million Americans have left the farms and small towns for the promise of city life. In search of jobs and modern conveniences, they have swelled the urban oases of the Nation to the point of excess. What was once a bright promise is now a daily story of torment and despair.

Our cities are now congested. Vast increases in population have brought pollution, crowded highways, soaring crime rates, squalid housing, deteriorating education, and high unemployment. The economy and the very fabric of our society are threatened because of this promise turned nightmare.

In response, Congress has enacted dozens of worthy programs to help uplift the quality of urban life. Yet, these programs are mere straws in the wind when compared to the rapid rise of urban congestion and blight. The time is fast approaching when we must face the fact that the future of this country demands thoughtful planning at all levels of government. We must begin now to take stock of our human and material resources; to think of the next 50 to 100 years; and to plan for the orderly development and use of those resources in the decades to come.

A major part of this planning must involve rural America. It is here that many untapped resources exist. Rural communities are dying, but they contain the base upon which we can build for the future. It is in rural areas that the new promise for growth exist; and it is there that we can look for alternative solutions to urban congestion and blight.

The Rural Development Act which passed the Senate last week is a major step in the process of establishing a rational national growth policy. It establishes a mechanism for revitalizing nonurban areas using a combination of local initiative and Federal cooperation. This is the type of partnership which I envision on an even broader scale for urban, suburban, and rural areas of America. We must encourage our communities to plan for the future; to take stock of resources which should be preserved; to determine future growth needs; and to plan rationally for the future so that any growth does not destroy the community's vital resources and its quality of life.

Mr. President, there are hundreds of Federal programs of assistance, yet there is no coordination of the allocation of these resources. Without coordination, billions of dollars each year are being wasted. Each Cabinet-level department promotes its own activities and gives paramount attention to its own programs; yet no significant effort is made to determine how each program relates to all others. That is a need which we must meet if we are not to awaken to the realization that we have spent billions of dollars but have failed to keep pace with the forces of growth.

The resources of the Nation are finite. In the face of misuse, they will not be available forever. Our democratic institutions and our open market economy can withstand only so much pressure before they fall victim to the centristic forces of repression and control. Yet we are wasting our resources—treating them with an abandon which is criminal; and we are suffering from congestion, unemployment, inflation, poor education, high crime rates, and rising welfare costs—all because we have failed to make proper use of our resources and because we have failed to undertake long range and broad-based planning.

Mr. President, with this as a background, I was pleased to support the Rural Development Act because it draws the Nation's attention to the neglect of our rural resources and because it provides an effective means to develop those resources.

DEATH OF A GREAT TEACHER: DR. FRANK L. BOYDEN

Mr. KENNEDY. Mr. President, on Tuesday, Massachusetts and the Nation lost a devoted teacher and leader in the field of education, Dr. Frank L. Boyden, headmaster of Deerfield Academy in Massachusetts from 1902 to 1968.

We can measure the contributions of Dr. Boyden as an educator not only by the awards bestowed on him over the years, but by the progress and direction of Deerfield Academy under his direction. When he became the headmaster of Deerfield in 1902, the school had 14 students. Under his leadership and devotion, Deerfield Academy became one of the outstanding preparatory schools in the Nation. Students from Deerfield can be found in every profession. But perhaps most significantly, Dr. Boyden developed similar educational talents in others, and outstanding teachers across this country trace the beginning of their development to Dr. Boyden and Deerfield Academy.

I think two illustrations of Dr. Boydens' approach to life and young people provide an excellent measure of his stature as a man committed to others. Dr. Boyden kept his office in the front corridor of the main building of the academy where he was accessible to all of his students. Over the years, as his duties and responsibilities grew as an administrator, he never lost contact with those he loved most, his students. And it is precisely this kind of warmth and devotion that encouraged and developed the potential of the young men under his direction.

Second, Dr. Boyden who coached Deerfield's football team until he was nearly 80, also was its quarterback in the early years. I think this is symbolic of the legacy that Dr. Boyden leaves us—that education has not only to do with books, but with involvement and commitment, and action. Dr. Boyden knew the secret of a real educational process—that we must inspire the individuals to become totally and actively involved in his profession, his community, and in the affairs of the Nation.

I want to extend my deepest sympathy to Dr. Boyden's widow, Helen, and his family. The grief we share with them on this tragic loss is tempered only by our recollection of the continuing contribution of Dr. Boyden through thousands of men whose lives he touched.

I ask unanimous consent that tributes paid to Dr. Boyden and published in the Boston Globe, Boston Herald Traveler, New York Times, and Washington Post, be printed in the RECORD.

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

FRANK L. BOYDEN SPENT HIS LIFE BUILDING DEERFIELD ACADEMY

(By Jean Caldwell)

DEERFIELD.—Frank L. Boyden, who came to spend one year as headmaster of a faltering Deerfield Academy in 1902 and stayed on for 66 years to build it into one of the nation's finest secondary schools, died in his home early yesterday morning. He was 92.

He was a little man—5 feet—and he used to describe his method of raising funds by saying: "I just look old and frail and sick."

But Boyden wielded power far beyond that, perhaps, of any other educator of the century. His power came from the fact that he understood boys, he loved people, he had a showman's flair that was coupled with deep sincerity, and a willingness to do everything for this school from raising $100,000 in an afternoon to replacing bits of turf dug up by players' cleats from the football field.

When Boyden became headmaster in 1902, Deerfield had 14 students—some of them regarded as terrors by the townsfolk. The trustees weren't sure whether to close the school or to try to keep it going. Several of Boyden's Amherst classmates had been offered the job. He was the only one who applied.

He planned to stay for one year, save his money and enter law school. It was 20 years before he gave up the idea.

In the beginning he would drive around the countryside in a buggy trying to persuade country boys to enroll in the Academy. After a time he had his pick of the top students in the country.

He always found room for the boys, no one else wanted. Boys who were kicked out of Andover and Exeter came to Deerfield and went on to do brilliantly in college.

His offices were in the front corridor of the main building. This was the busiest spot in the school. He could sit there and sense the mood of the school, could spot an individual boy who was troubled. Much later, someone gave money for a lovely office to be built off the main corridor. He never sat at the desk which commanded a splendid view of the campus but in a chair near the door, as close as he could to the corridor. He wanted, he said, to see everyone who came by.

Under his leadership, the Deerfield Academy had no catalogue and no printed set of rules. He didn't mind making exceptions for a single boy and then getting agreement from the student body that the exception was to be an exception.

His graduates went on to become doctors, lawyers, bankers, but most, especially, educators.

When he first came, the school was too small to field a team so he played on the baseball team with the boys. He played on the team until he was 35 and was coach for the football, basketball and baseball teams until he was almost 80. He went to every game up to the beginning of March and would sit on the bench with the players.

Last year, the National Football Foundation and Hall of Fame presented him with its "Distinguished Americans Award."

Twenty-three colleges and universities awarded him honorary degrees. But the presidents of many more payed him a higher tribute—they sent their sons and grandsons to him to be educated.

He insisted on fresh flowers in every building and at least a single flower on every table in the dining room. But when it came to fees, he often would tell parents to "pay what you are able." At one time a fifth of the student body was there under this arrangement.

He got the boys together at least once a day because he felt this was what families should do.

The campus switchboard was in his rear parlor and for years—until he was 82—he was the one to answer the phone when it rang between 10:30 p.m. and 7:00 a.m.

When his wife rejoined his faculty after the birth of their third child, he warned her that should a dispute ever arise between her and one of the boys, he would side with the boys.

Her alma mater got even with him for keeping her worried about her job despite the fact that she was one of the school's oustanding teachers. When Smith College gave her an honorary degree, the citation read: "To Helen C. Boyden, who, with some small help from her husband, built a great school."

But he would say of her: "She is much more important than I am. She has a wonderful sense of human and deep affection for the boys. She has more influence on the boys than I have. She makes them want to do the work. Her judgment is excellent. It is interesting that a combination such as the two of us could get together. I don't know that I've ever known her really. She could have been the head of any school.

For ten years, from 1960 to 1970, he was chairman of the board of trustees of the University of Massachusetts. He was instrumental in obtaining fiscal autonomy for the university and presided over it during its period of greatest growth.

Robert C. Wood, president of UMass, noted Boyden's efforts in planning for the medical school in Worcester and the UMass-Boston campus.

"Men of the stature of Frank Boyden are a grace to their epoch," he said. "His vitality and energy on behalf of the University of Massachusetts were legend. We shall miss him, but his endeavors are his monument and he will not be forgetten."

In 1967 President Lyndon Johnson awarded him the Presidential Citation for Distinguished Service.

He leaves his wife, Mrs. Helen (Childs) Boyden, whom he married in 1907; two sons, John C. of Yarmouth Port (who retired as Deerfield Academy admissions director in 1969, one year after his father) and Theodore C. of Atlanta, Ga. and a daughter, Miss Elizabeth Boyden of Deerfield, and two grandchildren.

Private family services will be today in the First Church of Deerfield. Burial will be in Laurel Hill Cemetery in Deerfield.

There will be a public memorial service tomorrow at 2:00 p.m. in the Deerfield Academy Memorial Building.

DR. F. BOYDEN, DEERFIELD HEAD

DEERFIELD.—Dr. Frank L. Boyden, headmaster of Deerfield Academy from 1902 to 1968 and one of the nation's most prominent educators, died at his home yesterday after several weeks' illness. He was 92.

As a youth, Dr. Boyden had planned to go into law, not education. When he was graduated from Amherst College in 1902, he took the job as principal and ony teacher at Deerfield because he needed the money for law school.

Dr. Boyden planned to stay only two years at Deerfield, then a local high school which in 1902 had an enrollment of 14 pupils, eight girls and six boys. Sixty-six years later, when he retired, Dr. Boyden had developed Deerfield into a boarding prep school for 520 boys, with a physical plant valued at more than $15 million and an endownment of well over $13 million.

For 50 of his 66 years at Deerfield, Dr. Boyden served as coach of the football team, and was honored last December by The National Football Foundation for his leadership in the development of competitive football.

One of Dr. Boyden's trademarks was staying close to his pupils. He never had an office at Deerfield throughout his long career as headmaster. He placed his desk in the lobby of the main classroom building where he always was surrounded by students entering and leaving classes.

"I wouldn't know of any other way to run a school and still keep close to that many boys," Dr. Boyden once said.

A native of Foxboro, he was born Sept. 16, 1879, and married the former Helen Childs of Deerfield in 1907.

During his tenure at the academy, his puppils included the sons of the Rockefellers, of Bennett Cerf, of John Gunther and of Ben Ames Williams.

He was the recipient of 23 honorary degrees, including doctorates from Princeton, Havard, Tufts, Boston University and the University of Massachusetts. He served on boards of trustees of 21 private schools and colleges, including 10 years, from 1960–70, as chairman of the University of Massachusetts trustees.

Dr. Boyden received a presidential citation from Lyndon B. Johnson in 1967 for encouraging "standards of excellence which have enabled America's independent schools to become a continuing source of vitality in American education and quality in American life."

The gymnasium at the University of Massachusetts' Amherst campus and the new library at Deerfield are named for Boyden.

The present Deerfield headmaster, David M. Pynchon, said in tribute yesterday: "In Mr. Boyden's passing, there departs from the American scene one of the true educational geniuses of this and recent generations, yet we also share in the joy of a life well-lived, of dreams come true and of others' lives enriched."

Dr. Robert C. Wood, president of the University of Massachusetts, said, "In the death of Frank L. Boyden, the University of Massachusetts suffers the loss of its most distinguished elder statesman."

Dr. Boyden leaves his wife, Helen (Childs); two sons, John C. of Yarmouth Port, former director of admissions at Deerfield Academy and Theordore C. of Atlanta, Ga., and a daughter, Miss Elizabeth Boyden of Deerfield.

Private services will be held today and memorial services will be Thursday at 2 p.m. at Deerfield Academy Memorial Building.

FRANK L. BOYDEN, 92, PRINCIPAL OF DEERFIELD ACADEMY, IS DEAD

(By Farnsworth Fowle)

DEERFIELD, MASS.—Frank L. Boyden, who came to Deerfield Academy in 1902 as principal of a dying village institution and made it a notable preparatory school for boys, died this morning at his home here. Mr. Boyden, who retired as headmaster in 1968, was 92 years old.

For over 60 years Deerfield Academy evolved around the quietly dominating personality of Frank Learoyd Boyden, one of the most original and eventually the best known American headmaster of his times.

The late John Gunther wrote that "he probably knows as much about boys between the ages of 14 and 18 as anybody alive."

Mr. Boyden, who held many honorary degrees, found his vocation by accident. He was born and grew up in Foxboro, Mass. On graduation from Amherst College in 1902 he needed money to study law and enter politics, the family foundry business having been wiped out by fire. He took the job in Deerfield, 10 miles from Amherst, as a chance to save and to start reading law books.

Deerfield Academy, founded in 1799, had 15 boys and girls as day pupils when Mr. Boyden took over the rickety old building that fall. The boarding department had long since lapsed.

The school could not field a full football or baseball team in his early years, and Mr. Boyden, as coach, took on the additional duties of quarterback and first baseman. Opponents didn't object; Mr. Boyden was shorter and lighter than most of his players.

In athletics, he started early a pattern of good sportsmanship and outright courtesy to opponents, during as well as after a game.

As builder of this tradition, he received the Distinguished American Award of the National Football Foundation at its Hall of Fame dinner last December at the Waldorf-Astoria Hotel.

Mr. Boyden had an easy, unassuming way with the pupils—and with their parents. A Yankee in character and accent, he was not long in making himself at home in Deerfield, where the ancient houses, elms and perhaps even the personalities of 17th-century New England were well preserved.

He also made friends with the newer settlers on the farms up and down the Pocumtuck Valley. By 1904 enrollment at the academy had risen to 62.

In 1905, against what he later called his better judgment, he hired a young local woman, Helen Childs, a year out of Smith College and with less teaching experience than his own. Her humor was swift and warm; his was slow and dry. They were married in 1907. Mrs. Boyden, who turned out

to be a natural teacher, coaxed six decades of students through mathematics and chemistry.

Mr. Boyden abandoned the classroom as soon as he had the teachers he wanted. Over the years he enlisted drillmasters of the old school, hearty young athletes fresh from college triumphs and others with the gift of stimulating a love of learning. He left them alone, explaining:

"If they don't know more about what they're teaching than I do, they shouldn't be here."

The boarding department was revived in World War I after out-of-town parents began arranging to board their sons in the village so that they could attend the academy. But there was no switch to the style of the fashionable preparatory schools of the day.

Every boy took his turn at chores, such as waiting on tables and raking leaves. Mr. Boyden was generous with scholarship aid but tried to keep it secret, even from the recipients. Every boy was made to feel a duty as host to go up to any stranger in Deerfield and ask if he could be of help.

Then and later, Mr. Boyden was not much given to lecturing his charges. His admonition, whether to one boy or to the whole school seated before him every evening on the carpeting of the school living room, was in the nature of a swift and penetrating aside.

A favorite maxim was: "There's nothing in the world like good hard work."

Deerfield's old school building was condemned in 1928, and a new fund-raising effort ran into the Depression. But Mr. Boyden and his old-fashioned, new-fashioned institution won new supporters. In 1931 a red-brick Georgian building opened on the old site facing the village common.

In later years Mr. Boyden served many other schools and colleges as a trustee. He was chairman of the trustees of the University of Massachusetts, which is located in Amherst, during its rapid expansion in 1960–70.

A canny politician, he was able to persuade the Massachusetts Legislature in 1962 to grant the university much greater autonomy. Used to handling the reins of authority in his own institutions, he became known to fellow-trustees from the eastern part of the state as "the fastest gavel in the West," as recounted in John McPhee's biography. "The Headmaster: Frank L. Boyden of Deerfield," published in 1966.

When he yielded his Deerfield post to David M. Pynchon, now headmaster, Mr. Boyden kept on giving much time and energy to a successful $20-million fund-raising drive; the school's endowment now exceeds $15-million. In failing health this spring, he nevertheless appeared briefly at the Franklin County alumni meeting here April 4 and at the Western Massachusetts Football Hall of Fame, of which he was a founder, on April 11.

Surviving are his widow; two sons, John C. of Yarmouth Port, Mass., and Prof. Theodore C. Boyden of Atlanta; a daughter, Elizabeth Boyden of Deerfield, and two grandchildren.

The funeral will be private. A public memorial service will be held at the academy on Thursday at 2 P.M.

DEERFIELD ACADEMY HEADMASTER

DEERFIELD, MASS.—Dr. Frank L. Boyden, 92, headmaster of Deerfield Academy from 1902 to 1968, died at his home this morning after several weeks' illness.

One of America's most prominent educators of this century, and honored as a leader in the development of competitive football, Dr. Boyden built Deerfield Academy from a local high school for a handful of pupils to a preparatory school for 550 boys with an endowment exceeding $20 million.

A native of Foxborough, Mass., he was born Sept. 16, 1879, and graduated from Amherst College in 1902. He often told of walking from Amherst to the virtually unknown local school here to become its only teacher and headmaster.

During his tenure at the academy, he taught many famous men, and the sons of the Rockefellers, of Bennett Cerf, of John Gunther and of Ben Ames Williams.

The subject of many books and articles, including the John McPhee biography, "Headmaster," Dr. Boyden was the recipient of honorary doctorates from more than 15 colleges. He served on the boards of trustees of more than 20 private schools and colleges, including 10 years as chairman of the University of Massachusetts trustees.

He received a citation from former President Lyndon B. Johnson in 1967, and was honored last December by a national football award in recognition of his contribution to football, including 50 years as football coach at Deerfield Academy.

He is survived by his wife, the former Helen Childs, whom he married in 1907; three children, John, of Harwichport, Mass., Theodore of Atlanta, and Elizabeth of Deerfield, and two grandchildren, both of San Francisco.

NEED TO CONTINUE FOLLOW-THROUGH PROGRAMS

Mr. PERCY. Mr. President, it is with dismay and a heaviness of heart that I speak today on behalf of Project Followthrough, one of our country's most successful compensatory education programs.

Effective this coming school year the State of Illinois will be less three excellent Followthrough programs, and the country will be less 26 of these programs. The culprit is apparently a lack of funds. The Office of Education does not have enough money to continue all of the 160 existing Followthrough programs, however excellent, serving over 75,000 low-income children in kindergarten through the third grade.

However, on closer scrutiny, the culprit is not a lack of funds. The culprit is the U.S. Office of Education.

I was a member of the Senate Appropriations Committee when the Office of Education's fiscal year 1972 budget was being considered. I recall Dr. Sidney P. Marland's fine and reasonable testimony on the administration's budget request for the Office of Education. On looking back at the hearing record of May 5, 1971, I see what a fine job Dr. Marland; Dr. Herman R. Goldberg, associate commissioner for elementary and secondary education; Dr. Terrel H. Bell, deputy commissioner for school systems; Richard L. Fairley, director, Division of Compensatory Education; Charles Miller, deputy assistant secretary, budget; Joe G. Keen, budget officer; did in convincing the committee that Followthrough was a good program, unique in the services that it provides and innovative in the techniques and ideas that it uses. They convinced the committee that the program merited continuation and, moreover, that the program merited a permanent place within title I, ESEA. They also convinced the committee that they needed less money than the previous fiscal year to administer the program, that with a $9 million reduction they could continue to fund the same number of projects and children as previously.

Imagine my surprise, shock, and disbelief when letters began pouring in from the mayor of Waukegan, the principals of Ogden, Lathrop, and Howland Elementary Schools, and from scores of concerned State officials, parents, teachers, and administrators protesting the termination of four outstanding Follow-through programs in Chicago and Waukegan. I have no recourse but to join this protest, for I have tried, without success, to persuade the Office of Education to keep its word and continue to fund the same number of projects and children as previously.

I have tried, but I can neither understand nor condone the Office of Education's unannounced shift in position. I have, therefore, joined with Senators STEVENSON and KENNEDY in requesting that the Senate HEW-Labor Appropriations Subcommittee restore the $9 million cut from Followthrough's fiscal year 1972 budget. The full Senate Appropriations Committee will meet today to mark up the HEW supplemental appropriations bill. I have personally spoken with key members of the committee to ask their support for the $9 million restoration.

Furthermore, I plan to ask the Office of Education to justify the discrepancy between its testimony before the Senate Appropriations Committee and its recent actions. I also plan to ask the Office of Education to release comparative evaluations of the 160 Followthrough programs across the country and summarize for me the common standards used to terminate 26 programs and continue 134 programs.

THIS YEAR'S EARTH WEEK

Mr. WILLIAMS. Mr. President, this is Earth Week, 1972. It is a week during which, for the third consecutive year, citizens across the Nation are urged to reexamine their involvement in environmental protection and management. By enhancing their knowledge of the needs and problems of the environment in which they live, we hope they will reemphasize their personal stake in the solution of these problems.

This is a particularly appropriate year for such an examination, for it is the year which the United Nations has designated as the year of the environment, to culminate in the United Nations Conference on the Human Environment in Stockholm in June.

Preparations for this conference have been perhaps the most painstaking ever to precede a United Nations meeting. Under the direction of a 27-nation preparatory committee, intergovernmental groups have been drafting proposals on six major topics. Concurrently, indi-

vidual governments are submitting reports describing their own experiences in environmental management, and interested specialized agencies of the United Nations are preparing statements on their present and expected future work.

It is most important that the citizens of this country be aware of these activities. Only through closest international cooperation and teamwork, insisted upon by the citizens of the individual countries, can global environmental problems he solved. Polluted water supplies, deterioration of agricultural lands, the problems of urbanization are of real and increasingly urgent concern, not only to local and regional governments, but to all countries. Standards setting limits beyond which people of an area—or country or group of countries—must not be permitted to pollute the air and water, exploit the land, kill wildlife and fish, or use pesticides should be established internationally for they would benefit all inhabitants of this earth. Conversely, spotty, disorganized, and unchecked exploitation of the environment will affect people everywhere.

Three years ago, Earth Week was established in this country to provide citizens, through special programs in schools and communities, with increased and relevant information concerning environmental conservation, rehabilitation, and management. These programs were, and continue to be, designed to promote future planned action for environmental improvement. This year, because of the great interest expressed in the U.N. Conference on the Environment, I believe the time is ripe to make Earth Week an international observance. Just as our citizens are urged to participate in environmental education projects during this week, so should citizens of other nations be given an opportunity to learn more about their own environmental education projects during the same time span, and participate in joint projects designed to explore problems that are international in scope.

Constant cooperation and the best teamwork is needed today to preserve and enhance environmental quality everywhere. International Earth Week can provide the impetus for joint ventures which will benefit us all.

RISE OF JAPANESE ECONOMIC POWER

Mr. FANNIN. Mr. President, the rise of Japanese economic power is one of the miracles of the second half of the 20th century. The word most often used to describe this growth is "phenomenal." And phenomenal it certainly is.

The United States helped to plant the seeds for this growth. Now we stand somewhat in awe as Japan has become our main competitor in the world economic system. The ingenuity and vigor of our friend and ally now causes serious economic problems for the United States.

A good part of the problem concerns the failure of the United States in the 1960's to adjust trade agreements and U.S. policy to fit the realities of the times. I have discussed this many times in this Senate and in speeches around the Nation.

It seems evident, however, that the success of the Japanese and the demise of U.S. competitiveness in the world markets also stems in part from some other fundamental factors.

The Japanese have been successful because they have worked together—the Government, industry, and the unions have cooperated to produce quality goods at low price for export.

Such cooperation has not been possible in the United States for two reasons:

First. Our antitrust laws have forbidden such pooling of resources either for the production of goods for domestic or for foreign consumption. At times we have carried this antitrust mania to ridiculous extremes.

Second. Unions have fostered the idea that the workingman and management are enemies. Any thought of teamwork between labor and management has been ridiculed by the union bosses.

Mr. President, the Japanese have been great at adopting and improving upon the best of technology and systems used by other nations, especially the United States. Perhaps it is time we started trying to learn from the Japanese.

An article published in the San Francisco Examiner of April 15, 1972, gives us some insight into how the Japanese manage to be so successful. I ask unanimous consent that the article, written by S. I. Hayakawa, be printed in the RECORD.

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

WHY JAPAN'S GROWTH IS SO PHENOMENAL

(By S. I. Hayakawa)

Do you remember the feverish building of fallout shelters in 1961 in anticipation of a Soviet nuclear attack? Do you remember people storing cases of food and bottled water?

Herman Kahn, who wrote his terrifying book, "On Thermonuclear War," in 1960, contributed much to our panic of that period. He insisted on "thinking the unthinkable." What would war with hydrogen bombs be actually like? I denounced the book at the time, but in retrospect I must admit someone had to write it.

Hence I am a little puzzled that Herman Kahn's latest book, "The Emerging Japanese Superstate: Challenge and Response" (Prentice-Hall, 1970; Prism paperback, 1971), has created so little stir in the U.S. In it, Kahn predicts that by the year 2000 Japan will in all likelihood be the world's leading economic power, and that the 21st Century will be the "Japanese century."

Since Japan decided in 1868 to open its doors to the world, the national goal of the Japanese people has been to catch up with the West. Having by this time caught up in most respects, their next goal is to surpass the West. How are they doing?

Well, Japan has recently surpassed England, France and Germany and is behind only the U.S. and the Soviet Union. Japanese technological capabilities are now fully competitive with those of the West and the objective of surpassing the West, says Kahn, is now in sight. By the end of this century or early in the next, Japan may well be foremost, economically and technologically.

The reasons for this tremendous success since the devastation of World II lie in the Japanese character, says Kahn. "The Japanese see themselves not as a society of individuals, but as a national family in which all people and all companies cooperate to make the nation stronger."

The key to "Japan, Inc." is growth. The keys to growth are unity and loyalty. The Japanese watch growth rates the way Americans watch baseball standings.

In his comments on Japanese character, Kahn often sounds like Ruth Benedict, to whose great study of Japanese culture, "The Chrysanthemum and the Sword" (1946), he makes grateful acknowledgement.

In Japan no one would criticize such a statement as "What's good for General Motors is good for the country." What's good for Iwata Steel or Nissan Motors is assumed to be good for Japan, because it is Japan against the rest of the world. Everybody—management, labor and the general public—identifies the success of Japanese business with the success of the nation—and therefore with individual success.

This unity is revealed in the close cooperation which flows among Japanese firms. Of course, employees and executives try as hard as possible to further the interests of their own companies, but everyone takes pleasure in any Japanese success. Thus there exists a kind of open society within business circles in which competitors share information which in the West would be considered secret.

Members of Japan, Inc. are loyal. When a man signs a contract to work for a company, it is like entering marriage. It is for life. There are rights and duties on each side to be honored. Employes know they will never be fired. The company is a family which takes care of everyone, in return for devotion. It can afford to do so because high growth rates permit so much expansion that there is always a place for everyone.

Loyalty is not something to hide, but something to celebrate. Every morning workers at Matsushita Electric, as in hundreds of other companies, sing their company song before beginning work. They sing with an enthusiasm and gusto which Americans would find embarrassing, if not ridiculous.

Even unions in Japan are loyal to business. They lobby and apply pressure to obtain demands they consider fair and reasonable. But they would never go so far as to let their companies be hurt. Most American unions assume an adversary relationship between employers and employes and proceed on that assumption. Unions rarely work with corporations; but organize against them.

Because of the loyalty of Japanese workers, their unity and willingness to work long hours and to sacrifice present consumption in favor of capital investment, the Japanese economy is growing at a rate exceeding 10 percent a year, or about twice that of U.S. economic growth. Moreover, the U.S. is increasingly finding itself clobbered in world markets.

I wonder if American union leadership worries about problems such as these? What good does it do to get wage increases for union members from $3 an hour to $7, from $7 to $15, from $15 to $22, if as a result the company transfers its operations to West Germany or Taiwan—or goes out of business altogether?

The question is not hypothetical. It's been happening for years. Herman Kahn is persuaded that Japan may very well come out the winner as a result.

LITTLE ENCOURAGEMENT FROM PRESIDENT'S SPEECH

Mr. CHILES. Mr. President, I have been deeply disturbed by recent developments in Vietnam. The massive invasion

by North Vietnam of South Vietnam, the buildup of Navy and Air Force personnel by our country, the accelerated bombing, the loss of American and Vietnamese lives. To me it is senseless, and I am very much discouraged and disappointed.

I am afraid that President Nixon's speech last night offers little encouragement. He promised to remove 20,000 more ground troops in the next 2 months but at the same time made it plain that our Navy and Air Force people are committed indefinitely. He said our naval and air attacks will continue, and he said "we will not be defeated." This, of course, means that more of our men will be lost and captured, and I hate even to think of this.

But I am glad President Nixon has instructed Ambassador Porter to return to the negotiating table. If we are not there then we cannot hope to bring about a settlement.

It is not easy. On the contrary, it is most difficult to sit at the table and hear absurd claims by the North Vietnamese that they have no military in South Vietnam when in fact they have some 12 divisions there. It is even more difficult to sit and be called the aggressors when in fact North Vietnam massed its troops and launched the invasion that brought about escalation. It is no less difficult to be called the killers when in fact the North Vietnamese, unnecessarily using deadly airburst weaponry, are literally wiping out thousands of helpless South Vietnam refugees trying to escape the active combat zones.

I want us out of this destructive war that is creating severe disunity in our country and draining our human and economic resources. Through my own legislation and through support of other legislation I have consistently sought a firm withdrawal date contingent on release of our prisoners. Had this been done, I believe we could have avoided this bad situation.

But the war continues, and we return to the negotiating table. If world opinion recognizes that North Vietnam inflamed the situation by its invasion of South Vietnam, if world opinion will condemn North Vietnam for that aggression, if world opinion will bring real pressure to bear, then there is still hope that North Vietnam will get serious at the table and agreement can be reached. This must be our hope.

ADDRESS BY ROBERT S. McNAMARA

Mr. COOPER. Mr. President, on April 14, the President of the World Bank, Mr. Robert S. McNamara, addressed the United Nations Conference on Trade and Development in Santiago, Chile. His address examined the present state of development efforts, and he proposed what is in my view, a very constructive approach to improving the quality and effect in lesser developed countries.

The chief points that he made bear our consideration. First, he argued that the goals of national growth have to be related to reasonable efforts to achieve equitable income distribution by the countries receiving assistance. He points out that unless this is done by the developing countries themselves, no amount of external assistance will significantly improve the quality of life of the vast proportions of their populations which are now living in conditions of abject poverty. The goal established for the second development decade of 6-percent annual growth for the developing countries cannot be met without continued substantial assistance from the developed countries.

World Bank President McNamara's most important point was that it is the responsibility of the developing nations; that is, those nations whose populations make up 25 percent of the world's people, but who possess 80 percent of its wealth should move forcefully and consistently to provide the additional assistance in the form of aid and trade which the developing nations need to meet their minimum national goals.

The President of the World Bank concludes that this assistance from the developing countries can be financed by devoting only a tiny percentage of the income that will accrue to the developing countries in the coming decade.

I ask unanimous consent that Mr. McNamara's address be printed in the RECORD.

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

ADDRESS TO THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

(By Robert S. McNamara)

INTRODUCTION

This is the first opportunity I have had since becoming President of the World Bank to attend a session of the United Nations Conference on Trade and Development, and I am very pleased to be here.

What I have to say will be brief and candid.

My view is this:

The state of development in most of the developing world today is unacceptable—and growing more so.

It is unacceptable, not because there hasn't been progress in the past 20 years—and particularly in the decade of the sixties—but because development programs have been directed largely at gross economic goals, and have failed to insure that all nations, and all groups within nations, have shared equitably in the economic advance.

As the Second Development Decade unfolds, the mistakes of the past have begun to be perceived, but neither the developing nor the developed nations have moved to deal with them effectively.

Finally, if the state of development today is unacceptable—and it is—we must not waste time looking for villains in the piece, or even worse, waste energy in fruitless confrontation between rich nations and poor nations. Rather, the entire international development community—all of us—must promptly move forward with practical measures which are conceptually sound, financially feasible, and which can command the requisite public support. I hope to suggest some of these today.

II. THE UNEVEN AND UNACCEPTABLE STATE OF DEVELOPMENT

I have said that I believe the state of development in most of the developing world today is unacceptable.

It is unacceptable, but not because there has not been progress. There has been. The total economic growth, measured in GNP terms, for the developing countries during the First Development Decade was impressive. For some of these countries it was the most successful decade—measured in these gross economic terms—in their history.

But such economic measurements, useful as they are, can be seriously inadequate.

What is inadequate about them is that they do not, in themselves, tell us much about what is happening to the individual lives of great masses of people in the developing countries.

But the improvement of the individual lives of the great masses of people is, in the end, what development is all about.

What are we to say of a world in which hundreds of millions of people are not only poor in statistical terms, but are faced with day-to-day deprivations that degrade human dignity to levels which no statistics can adequately describe?

A developing world in which children under age five account for only 20% of the population, but for more than 60% of the deaths.

A developing world in which two-thirds of the children who have escaped death will live on, restricted in their growth by malnutrition—a malnutrition that can stunt both bodies and minds alike.

A developing world in which there are 100 million more adult illiterates than there were 20 years ago.

A developing world, in short, in which death and disease are rampant, education and employment scarce, squalor and stagnation common, and opportunity and the realization of personal potential drastically limited.

This is the world of today for the two billion human beings who live in the more than 95 developing countries which are members of the World Bank. The personal catastrophe that affects the individual lives of hundreds of millions of these individuals is such that we can no longer take much satisfaction in the simple statistical achievement of the overall GNP growth goal of 5% by the close of the First Development Decade.

To begin with, that average figure conceals the fact that the growth rate was very uneven among the developing countries; and that income grew the least where it was needed the most—in the poorest countries, with the largest aggregate population.

Based on a study of the individual countries, the picture that emerges demonstrates just how uneven that growth has been.

The major oil-exporting countries, with less than 4% of the population, enjoyed a GNP growth rate not of 5%, but of 8.4%.

The developing countries with a per capita GNP exceeding $500, with 9% of the population, had a growth rate of 6.2%.

The countries with a per capita GNP between $200 and $500, with 20% of the population, had a growth rate of 5.4%.

And the poorest countries—those with a per capita GNP of less than $200—with an overwhelming 67% of the population, had a growth rate of only 3.9%.

So the first obvious conclusion is that by lumping all developing countries together, and measuring progress by an average GNP growth rate for the entire group, we obscure the significant differences between these countries.

What is more, we obscure the even larger differences in their per capita income growth.

In the poorest countries, with 67% of the population, per capita income during the First Development Decade grew at only 1.5% annually.

In the two middle categories of countries,

per capita income grew far faster than that—2.4% and 4.2% respectively.

In the oil-exporting countries, it grew more than three times as fast: 5.2%.

But what is most misleading of all is to assume that once we have calculated the GNP growth rate of a particular developing country, and then expressed it in per capita terms, we have arrived at a sound picture of the level of economic development in the country.

We have not.

For rates of growth of GNP, and of GNP per capita, tell us nothing about how income is actually distributed within a country.

III. THE MALDISTRIBUTION OF INCOME WITHIN DEVELOPING COUNTRIES

Such evidence as is available suggests that even the developing countries which have registered significant gains in GNP growth rates are plagued with severely skewed income distribution patterns.

In the last decade Brazil's GNP per capita, in real terms, grew by 2.5% per year, and yet the share of the national income received by the poorest 40% of the population declined from 10% in 1960 to 8% in 1970, whereas the share of the richest 5% grew from 29% to 38% during the same period. In GNP terms, the country did well. The very rich did very well. But throughout the decade the poorest 40% of the population benefitted only marginally.

In Mexico the picture is similar. Over roughly the past 20 years, the average income per capita grew, in real terms, at 3% per year. The richest 10% of the population received about half the total national income at the beginning of the period and an even larger share at the end of the period (49% in 1950 and 51% in 1969). But the share of the poorest 40% of the people was only 14% in 1950, and declined to 11% in 1969. The share of the poorest 20% during the same period sank from 6% to 4%.

In India, there has been progress in overall GNP growth during the past decade. But, today, some 40% of the entire population—200 milion people—live beneath a poverty line: a line defined as the point at which serious malnutrition begins. And the evidence is that the poorest 10% of the nation—50 million people—have not only not shared in the progress of the decade, but may even have grown poorer.

These examples are not atypical. A recent study of income distribution patterns in more than 40 developing countries estimates that at the beginning of the First Development Decade the average share in the national income of the richest 20% of the people was 56%—but the share of the poorest 60% of the people was only 26%. Although comparable data for the beginning of the Second Development Decade are as yet too sketchy to draw detailed conclusions, preliminary indications are that this severely distorted income distribution is not only continuing, but in many countries may be growing worse. The poor are sharing only to a very limited extent in the benefits of growth.

Why is this the case?

The reasons, of course, are complex. We still have far more questions than answers, but I believe that certain points are clear.

To begin with, economic growth is a necessary condition of development in any poor country—but it is far from being a sufficient condition.

Without a climate of growth, the domestic savings and export earnings crucial for internal investment simply cannot be mobilized. That is obvious enough.

What is less obvious is that economic growth in a poor country, in its early stages, is likely to penalize the poorest segment of the society relative to the more affluent sectors unless specific action is taken to prevent such an effect.

This is particularly true of those subsistence agrarian economies in which economic growth began with a narrow but intense exploitation of rich natural resources. The historical experience of these situations is that unless the government takes steps to broaden the base of development by rapid reinvestment of the export revenues from such resources, the income share of the poorest 60% of the population declines, and the income share of the richest 5% increases.

Even the small middle-income group in such societies—the approximately 20% of the population whose average share of the national income clusters near the median point—even this incipient middle class receives a declining share of the national income when growth is sudden and too confined to enclave types of activity.

As development in a poor country broadens its base, the middle-income group begins to benefit. This group prospers, largely as a function of its education and employment opportunities. But the 30 to 40% of the total population, who range from the poor to the very poor, continue to receive a disproportionately small and frequently declining share of national income. Typically, it is these poorest 40% who are most vulnerable to the economic hardships associated with high birth rates, poor educational opportunities, mounting inflation, the difficulty of obtaining credit for family farming or small-scale local enterprises, and the migration from a stagnant countryside to a jobless urban slum.

What this amounts to in most developing countries is a desperate and seemingly self-perpetuating situation.

What can be done about it?

What must be done about it is to reduce the crushing disparities of opportunity.

To begin with, there must be more equitable and comprehensive tax measures; land reform laws; tenancy security policies; and, above all, concrete programs to increase the productivity of small farmers. And not just programs and measures languishing in legislative debate and delay, or lost in legal complexities so hedged about with exceptions that they end by being more rhetoric than reality. What are required are feasible fiscal, agrarian, and educational reform measures that can be fully and fairly enforced. What is needed most of all is a determination to move against the inequities of income distribution.

There is no need to point out that this is politically difficult. Without question it is. But when the distribution of land, income, and opportunity becomes distorted to the point of desperation, what political leaders must often weigh is the risk of unpopular but necessary social reform—against the risk of social rebellion.

"Too little too late" is history's most universal epitaph for political regimes which have lost their mandate to the demands of landless, jobless, disenfranchised and desperate men.

What I am suggesting is that we should stop thinking of massive poverty in a developing country as simply a symptom of underdevelopment—and begin, rather, to think of it as a condition that must be attacked within the framework of the Nation's overall development program.

If developing countries themselves do not adopt the policies to deal with this problem, there is little that international institutions and other external sources of aid can do to help the poorest 40% of their peoples—those 40% who suffer the greatest deprivations and who are in the most desperate need.

But if the developing countries do adopt policies to insure that the benefits of growth will be more equitably distributed among their own peoples, then these countries both need and deserve the assistance necessary to insure that a reasonable rate of overall growth can be achieved. That is why the Second Development Decade's goal of 6% growth in GNP per year was established. It is, in my view, a necessary and an attainable target. But it cannot be met unless external assistance, in the form of both aid and trade, is made available in amounts larger than those which now appear likely.

IV. THE NEED FOR OFFICIAL DEVELOPMENT ASSISTANCE

The developed countries in adopting the strategy for the Second Development Decade, and in support of the growth target, stated that the level of external aid to be provided in the form of Official Development Assistance should reach .7% of their GNPs by 1975.

Where do we stand today in that effort?

A number of the developed countries have made significant progress towards the objective, as the attached table indicates. However, on the basis of present indications, only two (Norway and Sweden) will reach or exceed the target. Six more (Australia, Belgium, Canada, Denmark, France, and the Netherlands) will come close. Four others will substantially increase their percentage but still fall well below the target (Austria, Japan, Switzerland, and the United Kingdom). And the contribution from the United States, which accounts for roughly half of the total GPN of such countries, continues to decline. It has already fallen from above .5% of GNP in the early years of the last decade to .31% in 1970. It is likely to fall further to around .24% by 1975.

I feel obliged, therefore, to conclude that the total flows of ODA for the first half of the decade are likely to average out at approximately .35% of GNP, only half of the Second Development Decade target.

This is a most unwelcome conclusion. But we must face facts. Not only is there no evidence that ODA as a percentage of GNP will rise above one-half of the target rate by 1975, but unless there are prompt and marked changes in attitudes, it is difficult to foresee any great improvement in the second half of the decade.

Was the .7% target too ambitious? Are the difficulties within the domestic economies of the developed countries such that it is unrealistic to assume they can afford this degree of assistance to international development?

Certainly not.

I have pointed out the severe maldistribution of income and wealth which exists within the developing countries, and I have stressed that these nations must act to shape future economic growth in such a way as to redress that imbalance. But an analogous situation exists in the distribution of the *world's* wealth and income—there is severe maldistribution between the rich nations and the poor nations—and given that fact, one must face up to analogous conclusions.

During the First Development Decade, the total GNP of the world increased by $1,100 billion. That is an increase in income almost beyond comprehension.

But how was that growth in income distributed throughout the world?

Eighty percent of the increase went to countries where per capita incomes already average over $1000—and they contain only one-quarter of the world's population.

Only 6% of the increase went to countries where per capita incomes average $200 or less—but they contain 60% of the world's people.

Today the average per capita income in

the developed countries is approximately $2400. The comparable figure for the developing countries is $180. By 1980, after the 25% of the world's people who live in the developed countries once again receive 80% of the total increase in the world's income, their per capita income will have risen by some $1200. The comparable increase in the per capita income of the 75% of the world's people who live in the developing countries—even if the Second Development Decade growth objective is achieved—will be less than $100.

The collective GNP of the developed countries in 1970 totalled roughly $2,000 billion. In constant prices, it is projected to grow to at least $3,000 billion by 1980.

What this means is that in order to raise the current ODA flows of .35% to the targeter .7%, the developed countries would need to devote only about 1.5% of the amount by which they themselves will grow richer during the decade.

The remaining 98.5% of their incremental income will provide them with sufficient funds to meet their domestic priorities.

Granted these facts, are we to say seriously that these wealthy countries cannot reach the ODA target of .7% of their combined GNP's?

It is manifestly not a case of their being unable to afford it.

Nor, in my view, are the reasons for the serious shortfall in ODA the lack of generosity of the peoples of the developed world, or their indifference to justice.

It is much more a matter of ignorance: a failure to comprehend the inhuman conditions which characterize the lives of hundreds of millions of people in the developing countries; a failure to grasp how severe the maldistribution of income actually is between rich nations and poor nations; and a failure to understand how modest are the amounts of the wealthy nations' incremental income which, if made available to the developing countries, would make so great a difference in their ability to meet minimal growth objectives.

It is said that in wealthy countries the case for foreign assistance has no constituency. I do not believe that is true. What I do believe is that the constituency in most of the countries must be better informed, better mobilized, and better motivated. In the end, that is a matter of leadership.

But if that constituency in important parts of the developed world remains at its present level of concern—and governments continue to reflect this—then one is compelled to conclude that the flow of ODA will remain at its present wholly inadequate level throughout the decade.

In view of the degree of poverty that oppresses the human spirit in so much of the world, that would be tragic. Let me, for a moment, analyze what in fact that failure would mean.

The ODA deficit will penalize the poorest countries the most. It is unlikely that they will be able to reach the growth target. Their need for ODA is the greatest, and if it stagnates at its present level, they will feel the effects the most severely.

But for even those developing countries which are somewhat better off, a deficiency in ODA will force them to seek external finance from less desirable sources—particularly sources demanding high rates of interest or early repayment. The danger of overreliance on such sources is well known: it adds significantly to short- and medium-term debt burdens by mortgaging larger proportions of export earnings, and, in the event of an unexpected decline in those earnings, it can cause severe strains on the whole of the economy.

V. THE DEBT PROBLEM

The truth is: *if ODA flows level off at substantially less than the target for the decade, mounting debt problems for the developing world are inevitable.*

Achievement of the 6% GNP growth objective would require an increase in the volume of imports by over 7% a year. This increase would, in the main, have to be financed by a rapid growth in export earnings, as I will note in a moment. But even if these earnings increase at a rate greater than imports, the trade deficit, which would have to be financed by grants and external borrowings, would grow by approximately 7.5% a year in current prices. In these circumstances, in the face of an ODA deficit, the developing countries would either have to reduce their rates of growth, or increase their debts above reasonable levels. Both are likely.

Since the mid-1950's, publicly guaranteed debt has been growing at about 14% a year. At the end of 1971 it stood at over $60 billion and annual debt service exceeded $5 billion. Servicing of debt since the mid-1950's. has been growing at the same average annual rate of about 14%. This is about twice the rate at which the export earnings, from which the debt must be serviced, have been growing. Such a relationship cannot continue indefinitely.

With the prospect of a leveling off of ODA at far less than the targeted amount, and its partial replacement with financial assistance on harder terms, debt service ratios will inevitably rise. Debt financing has a continuing role in development. But it has its outer limits of prudence and these must be recognized by debtors and creditors alike.

VI. THE EXPANSION OF TRADE

If they are to offset shortfalls in ODA, and keep debt burdens within manageable proportions, it is clear that the developing countries' most imperative need is greatly to expand their export earnings.

How can this be done? Can it be done at all?

It can. But only by difficult economic adjustments, broad policy changes, and astute political leadership in the rich and poor countries alike.

The general outline of the problem is clear enough. From an export point of view, there are three broad categories of developing countries.

Those countries which export fuel. Fuel exports account for a third of all export earnings in the developing world, and are growing at an average rate of 10% a year. But three-quarters of these substantial earnings go to only six countries, containing less than 3% of the world's population.

Those countries, many of them with very low income, which remain highly dependent on exports of agricultural products.

Those countries, many of them in the middle-income group, which have the possibility of increasing their earnings through exports of manufactures.

The relative inelasticity of demand for agricultural raw materials means that the growth of exports of primary commodities, excluding fuel and minerals, is not likely to exceed 3 or 4% a year. However, even for countries dependent on the exports of such products, the developed countries can provide assistance.

They can negotiate stabilization agreements—on the international coffee agreement model—for cocoa and other commodities. Such agreements might provide for multilateral financial assistance.

And the wealthier nations could well afford to leave more of their markets open to agricultural imports from developing countries. Agricultural protectionism, particularly in the current climate of inflationary food prices in wealthy nations, makes neither domestic nor international sense. The sugar beet growers of the temperate countries, for example, have other ways of earning their living; the sugarcane growers of the Caribbean, Mauritius, and Fiji do not—and the same could be said for many other commodities.

For the countries with greater capabilities for the export of manufactures—countries whose populations total over one billion—we have estimated that achievement of the 6% growth target will require an increase in their export earnings, in current prices, of nearly 10% a year. This, in turn, necessitates an annual increase of their manufactured exports of 15%.

Can this rate of growth be achieved?

It is in the manufactured-products sector that world demand grows fastest, and the record of the developing countries in this sector during the sixties was impressive. Their manufactured exports did in fact grow at the rate of about 15% a year.

What is needed in the seventies is that the momentum be maintained. The natural comparative advantage for developing countries lies clearly in those manufactured products which have a high labor input, or which utilize abundant domestic materials. These include items such as textiles, garments, footwear; vegetable oils, processed foodstuffs; plywood, furniture, glassware, plastic and wooden products; and electronic and engineering sub-assemblies.

But though demand exists for these manufactures in the developed countries, the developing nations have in some cases clung too long to inward-looking, import-substitution policies—policies which may have been appropriate at earlier stages of their industrial growth, but which now unnecessarily hobble export promotion efforts.

There are a number of specific actions which governments in these situations can take. They can reduce the heavy protectionist tariffs on necessary inputs; supply local credit on more reasonable terms for small, labor-intensive, export-oriented enterprises; and adopt and maintain realistic exchange rates.

But if the developing countries must realign their industrial policies to move from reliance on import substitution to greater efforts at export promotion, the developed countries must make just as great a shift from excessive protectionism to move equitable and less restricted import policies.

It is, for example, wholly illogical, after 20 years of development assistance to poorer countries, for the wealthy nations to negate that effort by maintaining higher tariffs on the manufactured goods these poorer countries export than on manufactures from their affluent counterparts. But that is precisely what the wealthy countries are doing. The levels of tariffs on imports of manufactured goods from rich and poor trading partners respectively average out in the United States to 7 and 12%, in the United Kingdom to 9 and 14%, and in the European Community to 7 and 9%.

But it is not only the level of tariffs that is discriminatory against the developing countries. It is their structure. For tariffs rise with the degree of fabrication. In the United States, there is no customs duty on hides and skins, but tariffs on leather are 5%, and on shoes 10%. Similarly, in the European Community cocao beans from non-associated countries carry a 3% duty, while processed cocoa products must bear an 18% tariff. This manifestly means that processing—even simple processing—can by such tariffs be priced out of the developing country's most appropriate markets.

Even more repressive of the developing countries' export opportunities is the whole

series of restrictive non-tariff barriers which rich countries have erected over the years. These take the form of quotas, subsidies, and various preferential purchasing arrangements.

One of the most important elements in the strategy of the Second Development Decade is that the wealthier countries should grant preferential treatment to the manufactured exports of the developing countries. Japan, the Nordic countries, and the European Community have adopted this proposal, with various limitations, and other developed countries are considering it.

It is essential that this plan be carried out in full, but much more is required. The proposed preference agreement would increase the developing countries' exports of manufacturers by only about $1 billion a year. And if these countries are to maintain the necessary momentum of a 15% growth in manufactured exports, their annual volume—which rose from less than $2 billion in 1960 to $7 billion in 1970—will have to quadruple to $28 billion by 1980.

That is clearly going to be an enormous task. But one must not dismiss its feasibility, and certainly not on the grounds that it would impose an intolerable import burden on the wealthy countries. Should the $28 billion in exports from developing countries be achieved, it would amount to only about 7% of the expected manufactured imports of the affluent countries, and would represent less than 1% of their GNP.

The volume of trade in manufactured goods among the developed countries themselves is massive, and mutually beneficial. The rich nations accept huge quantities of manufactures from one another. There is no logical reason to suppose that it would not be equally beneficial—indeed, in terms of true comparative advantage, even more beneficial—for these highly industrialized nations to open a greater share of their expanding market for manufactured goods to the developing nations.

The rich nations' absorptive capacity for such goods is immense, and by accepting the more labor-intensive manufactured items from the developing countries, they can turn their attention to where their own true comparative advantage lies: to the production of more sophisticated items, and those employing capital-intensive technology.

It is precisely these goods that the developing countries will increasingly require, and a vast potential market exists among them for such imports provided they can secure, in return, an adequate share of the market for their own manufactured goods.

But even those who accept the probability of long-term gains to the developed countries from opening their markets to the imports from the developing nations may point to the short-term pains of adjusted. Much of the rising tide of protectionism springs from the fears of those whose jobs and investments will be displaced.

It is a political fact of life that the developed countries must adopt realistic adjustment policies to cushion the impact of import competition by retraining, relocation, and refinancing. Few have done so to date. Until they do, labor and management opposition to trade liberalization will be great—and justly so.

In sum, what we should all be seeking in development trade policies—both agricultural and industrial—is closer approximation to the principle of true comparative advantage. The basis for its exists in both the developed and the developing countries, but both must be prepared to modify inward-looking policies in order to achieve it. Only in an environment of more liberal international trade can the efforts of international and national aid agencies to improve the conditions of life in the developing world be fully effective.

VII. THE WORLD BANK

It is in this context that I would like to add a word about the World Bank.

Some four years ago, we set out in the Bank on a Five-Year Program. Our overall objective was that the Bank Group should lend roughly twice as much in the five years ending June 30, 1973, as it had in the previous five-year period; or to put it another way, that in the Five-Year Program period it should lend a total that would approach the entire amount lent in the first 23 years of the Bank's operations.

Taking into account the operating program for the current fiscal year, and the prospects for the following and final year of the Five-Year Program, it now appears probable, assuming ratification of the Third Replenishment of IDA, that the total of new investments in the five-year period will in fact surpass the initial objective of $11.6 billion, and the total cost of Bank-supported projects should exceed $30 billion.

Our goals also included trebling lending in the field of education, and quadrupling it in the agricultural sector. These goals, too, are being met.

Still another objective we have pursued is to give greater emphasis to assisting the very poorest among our member countries—countries with per capita incomes of $100 or less. Our estimate is that during the five-year period from 1969 to 1973 we will have assisted the poorest countries with a total of 215 separate projects. The comparable figure for the first 23 years of the Bank's activities—from 1946 to 1968—was 158.

Now that we are approaching the end of our Five-Year Program, we are giving concerted attention within the Bank to what we can most usefully do to assist our developing member countries in a second Five-Year Program from FY 1974 to 1978. These will be crucial years for the success of the Second Development Decade, and we intend to play as productive a role as possible.

It is already clear that there will be a pressing need for an expansion of IBRD lending, and for a substantial increase in IDA assistance during the Fourth Replenishment Period. We are confident that the necessary increases in IDA assistance, and in other forms of ODA as well, can be achieved. These achievements would be facilitated if plans were made to link the financing of such aid, either directly or indirectly, to future issues of Special Drawing Rights.

VIII. SUMMARY

I want to conclude by summarizing the chief points I have put before you today:

There is an urgent need to relate the goals of national growth to realistic targets of more equitable income distribution. A climate of economic growth is necessary for the advancement of the developing peoples, but it does not in itself assure equitable participation in the fruits of that growth.

Unless this is done by the developing countries themselves, no amount of external assistance, whether in the form of aid or trade, will do much to improve the welfare of the lower 40% of their populations which are living in conditions of the most abject poverty.

The 6% growth goal established for the Second Development Decade cannot be met without substantial flows of Official Development Assistance. But current and projected flows of ODA—at less than half their stated target—are wholly inadequate. Unless ODA expands, the poorest countries will simply be unable to reach their objectives, and many of the others will face increasingly serious problems of debt.

Even with ODA flows at the targeted level of .7% of GNP, achievement of the Second Development Decade's growth goal would require substantial trade assistance to the developing countries by the wealthy nations. Action must be taken to help stabilize and expand the agricultural exports of those developing nations which are dependent on them. And for those countries with the potential for exports of manufactured goods, discriminatory barriers to markets must be removed and preferences made available.

Just as we must conclude that it is the responsibility of the political leaders of the developing nations to recognize the inequities that exist within their nations and to move to correct them, so we must likewise conclude that the wealthy nations of the world—possessing 25% of its people, but 80% of its wealth—should move now to provide the additional assistance, in the form of aid and trade, which the developing nations need to meet minimum national goals. The additional assistance can be financed by diverting but a tiny percentage of the incremental income which will accrue to the developed countries during the 1970s.

Our clear duty for the remainder of this decade is to face up to mass poverty for what it really is, determine its dimensions, locate its whereabouts, set a limit beneath which we will not accept its continuance, and make our first priority a threshold of human dignity and decency which is achievable within a generation.

That, ladies and gentlemen, is how I—for one—view the development task.

What we need most to do is to get on with it.

PROJECTED FLOW OF OFFICIAL DEVELOPMENT ASSISTANCE MEASURED AS A PERCENT OF GROSS NATIONAL PRODUCT[1]

	1970	1971	1972	1973	1974	1975
Australia	0.59	0.58	0.59	0.59	0.59	0.60
Austria	.13	.16	.17	.19	.22	.25
Belgium	.48	.51	.54	.58	.62	.66
Canada	.43	.45	.48	.51	.55	.59
Denmark	.38	.43	.48	.53	.58	.64
France	.65	.65	.65	.65	.65	.65
Germany	.32	.31	.32	.33	.33	.34
Italy	.16	.16	.16	.16	.16	.16
Japan	.23	.24	.29	.31	.33	.35
Netherlands	.63	.64	.64	.64	.65	.68
Norway	.33	.36	.47	.56	.66	.72
Portugal	.45	.41	.45	.45	.45	.45
Sweden	.37	.49	.52	.60	.74	.88
Switzerland	.14	.16	.22	.26	.30	.32
United Kingdom	.37	.38	.38	.38	.41	.43
United States	.31	.31	.30	.28	.26	.24
Total DAC	.34	.35	.35	.35	.35	.35

[1] Countries included are members of OECD Development Assistance Committee, accounting for more than 95 percent of total official Development assistance. Projections are based on World Bank estimates of growth of GNP, on information on budget appropriations for aid, and on aid policy statements made by governments. Because of the relatively long period of time required to change legislatively authorized levels of aid, and then to translate legislative authorizations first into commitments and later into disbursements, it is possible to project today, with reasonable accuracy, ODA flows (which by definition represent disbursements) for 1975.

GAO REPORT ON THE F–14

Mr. TOWER. Mr. President, on April 16, 1972, the Senator from Wisconsin (Mr. PROXMIRE) released a statement and portions of a GAO report on the F–14. In the statement, he attacked what he alleged was poor management of the F–14 program. He released quotations, taken out of the context of the GAO report, which he termed "a shocking indictment of Navy management of the F–14 jet fighter program."

I feel that this is an entirely inappropriate way to conduct intelligent debate

over weapon systems, particularly when a distorted picture is created. For this reason, I ask unanimous consent that a detailed analysis and refutation of the Proxmire release, which was prepared for me by the Department of the Navy, be printed in the RECORD.

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

SENATOR PROXMIRE PRESS RELEASE

STATEMENT

Senator William Proxmire (D-Wis.) released Sunday night a new government report which he termed "a shocking indictment of Navy Management of the F-14 jet fighter program."

COMMENT

On April 16, 1972, Senator Proxmire released another press release concerning the F-14 program. Though based on a March 1972, GAO report, the Senator's release bears little resemblance to the referenced document. The following paragraphs provide the Navy's specific comments concerning the Senator's press release.

STATEMENT

In a statement from his Washington office, Proxmire said: The report—a March 1972 study by the General Accounting Office—shows that development of the F-14 was begun on the strength of an incomplete and biased study, that at least fourteen performance specifications have since been degraded, and that American taxpayers will be committed to the purchase of 134 F-14 aircraft before flight testing has ever been completed.

COMMENT

The study referred to is the Navy Fighter Study conducted in late 1967 and early 1968 at the direction of the Chief of Naval Operations (CNO). The Navy Fighter Study was conducted to fully analyze the VFX concept, not the F-14 aircraft as known today. The final report released on April 1, 1968, confirmed the VFX concept had great merit and that development should be pursued as soon as possible. It was not until January 1969, six months later, when notification of award was made to Grumman, that the F-14 became a reality built on design specifications.

The report was not biased in favor of the F-14, but was an analysis of the VFX concept compared to other alternatives available at that time.

The statement that "at least 14 performance specifications have since been degraded" infers less than desirable performance and does not identify the basis of original performance estimates. This area will be commented on in greater detail in the following paragraph dealing with technical performance degradations.

Before the *final results* of flight testing are complete, 134 F-14A's may be on order. Of these 134 aircraft, only a relatively small number will actually be built and delivered prior to the completion of flight test. However, extensive performance and service suitability testing will be accomplished in the Navy Preliminary Evaluations planned in the summer and fall of 1972. This will be well before the Board of Inspection and Survey (BIS) trials begin. As in many past aircraft development cycles, if the Navy finds the F-14 unsuitable for service use the program will be terminated. It must be noted that in all testing to date the F-14 is achieving excellent results and in some instances is exceeding performance specifications.

STATEMENT

It also shows that Navy reporting procedures have been designed to hide the full extent of the cost problems which have developed on the plane.

COMMENT

The Senator's statement seems somewhat distorted given the facts reported by the GAO. The Senator has misinterpreted a paragraph entitled "Selected acquisition reporting." The pertinent paragraph is quoted in its entirety from the GAO Study: "During our two previous reviews, we found that the airborne missile control systems (AMCS) was not being reported on the SAR. The program office indicated that the Department of Defense had not established this as a reporting requirement. Our current review disclosed that AMCS data was still not being reported on the SAR. We are repeating our previous recommendation as part of this staff study."

The AMCS costs are included in the funding profile outlined in the SAR, however, these costs are not broken out specifically under a weapons system cost profile. Similarly, other major F-14 components or subsystems are not separately reported, e.g., engines.

To categorically state Navy reporting procedures are designed to "hide" cost problems casts serious doubt on the validity of Department of Defense and Congressional reviews of the SARs submitted quarterly. The F-14 is one of the most visible programs in the Department of Defense, including all cost elements and their relationship within the total program.

STATEMENT

Whatever happened to "Fly Before You Buy" and better procurement management?

COMMENT

The "Fly Before You Buy" concept, originated by the present administration, was initiated subsequent to the F-14 contract awarded in February 1969. Even so, the F-14 program has been structured to a test early concept.

There simply are no facts to support the Senator's purported need for "better procurement management."

STATEMENT

The GAO report strengthens my conviction that the F-14 program has been managed for the last four years by a group of kamikaze pilots determined to commit procurement suicide.

COMMENT

This is but another unsupportable generalization that shows little appreciation for available facts. Statements such as this contribute little to objective criticism.

STATEMENT

I am most disturbed by the GAO's criticisms of the Navy fighter study used to justify the F-14 in the first place.

COMMENT

As previously stated, the Navy Fighter Study used by the GAO was a 1968 study to determine the feasibility of the VFX concept. A more recent Navy Fighter Study III, concluded in January 1972, analyzed in depth the present F-14 aircraft, not a conceptual design, and a wide variety of alternative aircraft presently available, including the F-4J.

STATEMENT

According to the GAO, the fighter study did not compare the F-14 cost effectiveness against all potential new fighter candidates, and its conclusion that the F-14 was superior as a fighter even to the existing F-4J "was not demonstrated conclusively." In fact, the study showed that in the key category of maneuverability "the F-4J was superior to . . . the F-14 in the projected air combat zones of the 1970s."

COMMENT

The GAO report identified two basic aircraft included in the F-111B Requirements Study that were not considered in the 1968 Navy Fighter Study. These were the VFAX with SPARROW and with PHOENIX and the Swing-wing version of the F-4J. The 1968 Navy Fighter Study compared only those aircraft types found to be cost effective from the earlier study. Detailed comments concerning the Cost Effectiveness chapter of the GAO staff study follow in the paragraphs below adjacent to GAO report excerpts.

STATEMENT

It is appalling to think that the Navy would want to replace F-4s costing $4 million per copy with F-14s costing four times as much when its own study showed that the new plane would be little, if any, better than the old one.

COMMENT

Considerable information regarding cost relationships is available in the Congressional Record and other source material, yet these relationships are consistently ignored by Senator Proxmire and other critics of the F-14 program. This F-14/F4 cost comparison is not valid and misleads the general public when quoted in the various news media.

The F-4 cost of $4 million is flyaway unit cost, the price of only the airplane as it sits on the runway. The F-4 cost of approximately $16 million is the total program unit cost, the price including support, spares and research and development as well as the airplane as it sits on the runway. The comparison does not take a common base for both aircraft. The F-14 flyaway unit cost is $9.4 million as reported in the December 1971 SAR. Thus, on a comparable basis the F-14 is approximately twice the cost of an F-4.

STATEMENT

"But the Navy has been trying to do just that, and it continues to pour an average of $3 million in new tax money into this worthless program every day.

COMMENT

The arithmetic in this statement is correct. However, the statement that the F-14 is a "worthless program" is not substantiated with facts. All studies conducted to date, including an independent NASA study, conclude the F-14 is superior to threat aircraft in being and projected through the 1980's. However, our current F-4 fighter inventory is only marginally superior in some areas and extremely deficient in others when compared to the present threat, and is unacceptable when facing the postulated threat of the future.

STATEMENT

We should buy only the 86 F-14's now on order and then terminate the program. Improved F-4s could provide a fine interim replacement until the new light weight fighter now being developed by the Air Force also became available.

COMMENT

Improved F-4s are not an acceptable alternative as an "interim replacement" for the F-14 because the F-4 in any version is not capable of effectively countering the threat. A lightweight fighter is not a viable alternative for the same reason and becomes a solely dedicated, single mission aircraft. The light weight fighter is and must be considered as complementing present developments not as an alternative to them.

[The following are excerpts from the GAO report]

THE NAVY FIGHTER STUDY (NFS)

STATEMENT

The NFS group initially restricted their analysis to three aircraft capable of carrying the PHOENIX missile: F-111B, F-14, and the A-6 Mod 11A. Subsequently, the F-4J alternative was also examined. The study

group, however, did not consider other alternatives such as the VFAX with Sparrow missiles, the VFAX with Phoenix missiles, or the new improved F–4J (designed F–4 (FV)) . . .

For its analysis of maneuverability in the close-in air-to-air combat engagement, the NFS used the VEDA Air Combat Simulator to perform a comparative evaluation of the F–14 and F–111B in OFR. The study found the F–14 to be superior to the F–111B in air-to-air combat. . . . Four additional simulations were conducted which matched the F–14 against the Foxbat, MIG 21F and the F–4J and the F–4J against the Foxbat (the Foxbat and MIG 21F are Soviet fighter aircraft). We were advised by an official of the Navy Program Planning, Systems Analysis Division that the above simulations had been run but the input assumptions used had generated extreme controversy. Consequently, the simulations were not considered and the F–14 versus the F–111B simulation, in which the F–14 was shown to be superior, was used in the NFS. In addition, the NFS analysis of key performance factors disclosed that the maneuverability of the F–4J was superior to that of the F–14 in the projected air combat zones in the 1970s. Thus we believe the conclusion reached in the study concerning the F–14's superiority in other fighter roles was not adequately demonstrated.

COMMENT

The Government Accounting Office (GAO) Report (OSD CASE 3400–31) of March 1972 prepared an up-to-date report on the F–14 aircraft weapon system. Included in chapter 4 was a discussion of cost effectiveness which embraced conclusions relative to a Navy Fighter Study conducted in 1967 and 1968. The GAO's major conclusions were as follows:

"While cost effectiveness studies were performed for the F–14 weapon system and the basic study elements were considered we believe that: other alternative aircraft could have been included in the analyses.

The conclusion that the F–14 was generally superior to the F–4J aircraft in other fighter roles was not demonstrated conclusively.

An updated analysis of the Phoenix missile system development should have been included as part of the evaluation of the F–14 weapon system."

It is apparent that the GAO was unaware or did not consider the results of Navy Fighter Study III completed in January 1972. The previous studies did not address the F–14 as it exists today, but merely compared paper aircraft as they were envisioned at that time.

Specifically, at the direction of the Chief of Naval Operations, the Navy Fighter Study (NFS III) responded to a requirement of the Deputy Secretary of Defense to evaluate the capabilities of the F–14 against the Soviet threat of the 1975 to 1985 time period. The Study was further tasked to evaluate alternatives to the F–14 to determine the most cost-effective fighters for the U.S. Navy.

Analyses of the performance of the alternative Navy aircraft: F–14A, F–14B, F–4J (Slats), and a carrier suitable version of the USAF F–15, designated the F–15N, have been completed in-depth. The capabilities of these aircraft in interceptor roles and other fighter roles (OFR) have been analyzed in a range of threat environments. Detailed analyses of the candidate fighters in one-on-one aerial combat against current and projected Soviet fighters were completed.

Assuming the validity of inputs, intelligence and methodology used by the Study, *the following principal conclusions of NFS III are:*

A fighter complement of 24 F–14s per CVA is the most effective mix among the alternatives considered.

The F–14 is required in carrier airwings for the interceptor role during the 1975–1985 time period to insure air superiority for ships at sea.

The F–14 will provide the fleet with the air superiority fighter capability to successfully conduct air strike operations through 1985.

The F–14B will be sufficiently superior to the F–14A to justify continued participation in the joint engine development.

The F–14 is required by the Marine Corps to provide and maintain air superiority over beachhead and amphibious objective areas and to supplement Navy carrier forces.

Neither the F–4J nor F–4J (Slats) will have adequate capability to counter the Soviet missile or tactical fighter threat during the period 1975–1985.

Based on available information, there is no advantage for the Navy to develop a carrier—suitable version of the F–15 but there would be numerous disadvantages.

Recommendations based on the above conclusions are:

Continue the F–14A program.

Continue participation in the joint engine development program for the F–14B.

Do not initiate development of a Navy version of the F–15.

The Navy would be pleased to make these classified documents available for use by the GAO upon request.

STATEMENT

Technical performance degradations

Up to this last fiscal year, little change had occurred in the aircraft's technical characteristics as reported by the F–14 project office. This is also generally true for fiscal year 1971. We noted, however, that 14 out of 20 characteristics degraded whereas only four improved. Two remained the same.

COMMENT

This is an accurate excerpt from the GAO report, but gives the impression of dire technical problems in the F–14. Careful examination of the facts would reveal that these items relate to aircraft weight, combat ceiling, maximum speed, etc. that have varied small amounts from the original estimates prior to producing a real aircraft. These variations are entirely normal in any aircraft development program and are the result of actual testing or better engineering assessment. The F–14 variances are generally smaller percentage-wise than prior successful Navy fighter programs. If there were not technical performance variations being reported, it would be cause for concern as to the real status.

The stated excerpt was taken out of context as the press release fails to quote out of the report summary which says, "During fiscal year 1971, there were some minor reductions in the performance estimates. None of these was based on flight test data."

STATEMENT

Development—production concurrency in Board of Inspection Survey flight tests

We previously reported that the Navy would be buying a number of production aircraft before BIS trials. With an eight month slippage projected in the BIS trials, development-production concurrency increases. The BIS trials were scheduled to begin in June 1972 and are now scheduled to start in February 1973. Thus, an additional contract option, Lot V, due to be exercised on October 1, 1972, for an estimated 48 production aircraft, will be due before BIS trials commence. This could bring the total aircraft on order to 134 before the final results of Navy tests of performance, maintainability, and reliability are known.

COMMENT

It is true that the option for Lot V must be exercised by October 1, 1972. This is for a Navy request for 48 aircraft in FY 73. It is also true that this could bring the total number of aircraft on order to 134. The Board of Inspection and Survey Trials (BIS) are not the initial effort in flight testing. Navy Preliminary Evaluation #1 has been completed and NPE #2 will take place in the summer of 1972 and will be a most comprehensive appraisal of the entire F–14. This will include firings of the Phoenix, Sparrow and Sidewinder missiles. BIS trials are the legal tests to determine contract specification compliance.

Any serious problems arising in the F–14 that might warrant termination of the program through flight test results would be encountered long before Lot V aircraft would be produced. Lot V aircraft are not due for delivery until Fiscal Year 1975.

As to concurrency, with the eight month slippage projected in the BIS trials, development-production rate will still remain at approximately one aircraft per month. The F–14 is being tested in depth now. Over 650 hours have already been flown in flight tests. Results to date are considerably better than expected and show the F–14 to be the fighter the Navy must have.

STATEMENT

Hiding costs of the program

During our two previous reviews, we found that the airborne missile control system (AMCS) was not being reported on the SAR. The program office indicated that the Department of Defense had not established this as a reporting requirement. Our current review disclosed that AMCS data was still not being reported on the SAR. We are repeating our previous recommendation. . . .

COMMENT

This again is a factual but incomplete statement of the GAO report. In the summary section of the report on page 4, the GAO states "we repeat our recommendation of previous years that the program office include appropriate performance and schedule data for the airborne missile control system in the Selected Acquisition Report (SAR). With this exception, we acknowledge the suitability of the SAR format to fulfill the objectives of the SAR system." It should be noted that GAO in the substance of the report in no way suggests or implies that costs of the program are being hidden.

STATEMENT

An effective performance measurement system requires the computation of work accomplished in terms of the original budget (planned value of work accomplished PVWA). However, on the F–14, the contractor does not compute work accomplished in terms of the original budget but in terms of the current, revised budget. By comparing work accomplished, based upon current budget to actual costs, the contractor reports a cost variance which reflects only the difference between current budget and actual cost instead of original budget and actual cost.

COMMENT

Characteristically, this is also a factual statement appearing on page 17 but does stand alone when compared to the conclusions and recommendations on page 23. To be totally accurate, page 23 is quoted:

CONCLUSIONS AND RECOMMENDATIONS

We believe that the performance measurement system at Grumman is providing some visibility to the Navy over contract cost. However, we believe that the problems noted during our review limit this systems'

potential effectiveness as a DoD and Navy management tool.

We believe that the effectiveness of the system could be enhanced by:

Providing information for use in projecting the results of effort currently under contract for future anticipated procurements to better assess and anticipate the impact of current activity on the total program.

Maintaining a budget baseline at target cost and reporting properly related variances between established plans and accomplishments.

Highlighting and tracking the use of management reserves for better program visibility.

Providing for Navy review and approval of major subcontractor performance measurement systems.

Conducting a proper and vigorous surveillance program which is coordinated with the project manager.

By incorporating these suggested changes, we believe that the continued use of the performance measurement system and its related reports will provide a better means for monitoring weapons system progress."

It is difficult to understand how this statement supports Senator Proxmire's contention that costs are deliberately being hidden.

Senator Proxmire's statement on the F–1 program is not factually substained. In large measure the GAO F–14 staff study, the basis for his allegations, counters the Senator's charges when read in context.

Rather than draw from the detailed information previously provided to him, Senator Proxmire repeatedly offers the same arguments against the F–14 program without substantiating data.

Senator Proxmire has apparently forgotten Admiral Zumwalt, the Chief of Naval Operations, briefed him on the existence and results of Navy Fighter Study III during a visit to the Senator's office last fall. The Senator has also received personal copies of Navy responses to his two lengthy speeches of last fall concerning not only the F–14 weapons system, but attack carriers and tactical airpower as well. In addition, the Senator has been offered in-depth briefings on the F–14 program.

Through a use of generalities, Senator Proxmire does not objectively criticize the F–14 program and he performs, while utilizing distorted information, a dis-service to the American taxpayer he claims to protect.

GROWTH OF COMMUNITY COLLEGES

Mr. WILLIAMS. Mr. President, I should like to take some time from our regular Senate business to speak about the growth of community colleges in the United States. According to new Census Bureau figures total enrollment in public junior colleges now exceeds 2.3 million. This is more than five times the enrollment of 1960 and it is expected to double by September 1975; 435 of the 840 public community colleges are less than 10 years old.

I think these figures are testimony to the previously unmet needs of a large segment of Americans. The nonrestrictive curriculum, the diversity of subjects offered, and the junior college's proximity to local communities has enabled these men and women to take advantage of educational opportunities the traditional higher education institutions could not offer.

The community colleges reach into every age level of our society and its courses touch on almost every facet of metropolitan life. Cabinetmaking and water disposal are examples of its free-wheeling curriculum that is tailored to the specific needs of the housewife, the businessman, the retired worker. Young people who are bent on a specific vocation not requiring the traditional 4-year degree or who are preparing for the regular 4-year institution also find the community college invaluable.

The community college is growing because it offers a chance to everyone, regardless of previous educational standing, to improve their social as well as career assets. As the sponsor of the community college legislation now being considered in the Higher Education Conference, I am particularly interested in their development. I believe my colleagues can also benefit from an article which appeared in the New York Times revealing the scope of the community college today.

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

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

[From the New York Times, Feb. 14, 1972]

THE JUNIOR COLLEGE BELITTLED IN PAST, NOW A MAJOR FORCE

(By Jack Rosenthal)

MIAMI, Feb. 13.—Public junior colleges, once scorned as "high schools with ash trays," have exploded since 1960 into a major social force that is shaping industrial development, urban services and personal pride.

The statistical evidence was issued in Washington today in a Census Bureau report. While total university enrollment doubled in the nineteen-sixties, enrollment in the public two-year colleges quadrupled, the report said.

This enrollment now exceeds 2.3 million, according to one measure. And experts calculate that the number may well double again quickly, reaching 5 million by September, 1975.

The pulse and muscle represented by the skeletal statistics are dramatically illustrated in Miami. There was no public junior college at all here in 1960. This year, Miami-Dade Junior College enrolled 38,106 students.

From 7 A.M. to 10 P.M., students swarm through facilities costing $45-million—a downtown center and two sprawling suburban campuses studded with filigreed concrete buildings, palm trees, contoured plazas and landscaped parking lots.

Their ages range from 17 to 70, their intelligence from subnormal to genius, their diligence from full-time preparation for senior college to a single one-hour course before Christmas in fancy giftwrapping.

And their interests span the seven stages of man, from "Maternal and Child Health Nursing" to "Marriage and the Family" to "Advanced Embalming."

Miami-Dade, serving the city and county it is named for, is now the largest of 840 public two-year colleges in the country, 435 of which are less than 10 years old. Called community colleges or junior colleges, they are tax-supported institutions open at little or no cost (Miami-Dade's fees total $125 a term) to virtually any resident who wants to enter.

Thus to some they are the "open-door colleges," the leading edge of universal higher education.

Physically, the impact of their development is strikingly evident everywhere. In the Southern suburbs of Washington, "Novacoco"—Northern Virginia Community College—now has overflowed onto a second campus. In Cleveland, acres of inner city slums have been replaced by the handsome Cuyahoga Community College. In Los Angeles, some 100,000 students attend eight public junior colleges.

The social impact of the two-year colleges is just as evident as the physical. Miami-Dade, like its sister schools elsewhere, is far more than a traditional academic training ground for recent high school graduates. It is a broad social institution that touches almost every facet of metropolitan life.

Thousands of its students take such public-service courses as fire science and waste water disposal. Miami-Dade now trains policemen for its entire area.

Thousands of other students have learned skills in electronic data processing, aerospace technology and freight rate structures, thus supporting—and helping to attract to the area—businesses that require a skilled labor market.

And most students, even those indifferent to qualifying for a degree or a skilled job, have won a new sense of accomplishment, personal worth and ambition.

IT BEGAN AS FUN

"It began only as fun," says Mrs. Betty Morow, who shyly enrolled for a night course in English composition after 25 years of marriage. Now after writing 40 short papers and taking several other courses, she says: "I'm really serious about going after a bachelor's degree."

The students reflect the Census Bureau's national statistical portrait. They are more likely to be older, to work, to be married, to come from families without any college education and to have lower incomes than are students in four-year colleges.

Only half of the students here are pursuing a traditional academic course. A young mother brings her baby with her to a computer laboratory. A day maid studies at night to become a secretary. A grandmother discovers that: "Baroque music is really terrific, once you understand it."

These experiences only suggest the reasons for the explosive growth of public junior colleges. (There is a small and declining number of private junior colleges.) The most obvious is the presence of swelling numbers of young high school graduates, says Jack C. Gernhart, an official of the American Association of Junior Colleges, in Washington. "The kid market is at its peak right now," he says, referring to the postwar baby boom.

But that population change can account for no more than half of the total growth. Mr. Gernhart gives a series of additional explanations:

"There's an increasing desire on the part of a lot of parents that their children should have better opportunity. There is the demand of industry for increasingly skilled labor. There is the development of a whole new demand for paraprofessional labor in public service fields like computer mapping or medical technology," which require more than high school and less than college.

Then, too, there is the factor of increased leisure time. When the work week is short and the college is both close and inexpensive, Mr. Gernhat says, "the opportunity for advancement and for enrichment is often irresistible." He himself looks forward to taking a course in cabinetmaking this spring.

Still further explanations for the growth are offered here by Peter Masikos Jr., the restless, silver-haired president of Miami-Dade. The population of the area, he observes, has grown 40 percent since 1960. The addition of campuses—now spanning a 25-mile radius—has brought Miami-Dade within reach of most of those people.

WEEKEND COLLEGE

And he and his staff, not content simply to keep up with the demand, are working to increase it. In 1965 a "Weekend College"

was begun, permitting people to earn an Associate in Arts degree after studying on Saturdays for three and a half years.

Individual courses have been taken out to the students—at, for example, meeting rooms in Miami Beach condominium apartments.

Such outreach creates problems beyond the problems of volume. For with volume come students with the widest range of intellectual ability.

Miami-Dade offers courses that are varied not only by subject but also by difficulty. Beginning English, for example, now is taught in 15 different ways ranging from the remedial "bonehead" approach to completely individual instruction.

"It would be easier to preselect our students, or flunk out a lot of them the first term," says Robert H. McCabe, the executive vice president. "But we don't think that's our role. Our original admissions requirement was the ability to turn left off 27th Avenue. We're still pretty close to that and we're glad. There's value in education—to the individual and to society—outside a B.A. degree."

NATIONAL SECRETARIES WEEK

Mr. BEALL. Mr. President, April 26 was National Secretaries Day, the highpoint of the 21st annual National Secretaries Week. This is most certainly a time when busy executives can stop and recognize the unsung heroes of any office, and the contribution she makes to the smooth accomplishments of any office objective.

"Better Secretaries Mean Better Business" is the theme of this week, and I know of no better statement on the role of the secretary in today's world. The modern secretary is an integral and significant part of any business, performing a myriad of tasks with efficiency and pleasantness. No firm could exist for very long without the loyalty, dependability, tact, discretion, initiative and good judgment that a proficient secretary brings to her position. As Mrs. Angeline Krout, CPA, international president of the National Secretaries Association, and, I might add, a fellow Marylander, reminds us:

> They are taken for granted when they are there, and no substitutes are accepted when they are not.

So let us make each week Secretaries Week, and recognize the work of the secretary as she performs the many varied and important tasks of the modern office. She is a person our Nation cannot do without.

PRESIDENTIAL PRIMARIES

Mr. NELSON. Mr. President, at a luncheon meeting of the Woman's National Democratic Club 1 week ago, Senator THOMAS EAGLETON, raised some important points about the presidential primary system.

In his speech Senator EAGLETON discussed the basic goal of the progressive reformers of the turn of this century. Their concern was to take the selection process out of the "smoke-filled" rooms and institute a system of greater public involvement. The question in 1972 is whether or not this desire for reform some 70 years ago has not turned into an impossible obstacle course that would make the Boston marathon look like a Sunday stroll along the Charles River.

In questioning whether the present system of 23 different primaries covering a 4-month time span serves the public interest and achieves the goals of rational political reform, Senator EAGLETON pointed out to the audience that the present system:

> Encourages discussion only of the most parochial concerns, those of interest to the relatively few voters who take part in each contest. It is a wonder that any candidate, or indeed the electoral process itself, emerges from the primary circus with a shred of dignity.

In order that the Senate can share Senator EAGLETON's thoughts and suggestions on primary reform more completely, I ask unanimous consent that the full text of his April 20 statement and the news release which announced this speech be printed in the RECORD.

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

SPEECH OF U.S. SENATOR THOMAS F. EAGLETON

We are once again deep into the disturbing American ritual of the Presidential primaries. Mercifully, we need only endure it every fourth year. No matter which candidate one prefers—and I made my own preference known very early in the game—anyone with a TV set, a newspaper subscription or a friend who talks politics knows that our primary system is irrational, undignified and particulary unsuited to the task of indicating which candidate can create a winning consensus of voters.

The primary system was born of the best of intentions, the brainchild of the Progressive reformers around the turn of the century. They wanted to take the selection process out of the proverbial "smoke-filled rooms" and hand over at least a part of it to the people. At the same time, they wanted candidates to have a trial run before election day, giving the candidates and the voters a chance to get acquainted. As the years passed and more and more states got the reform spirit, the patchwork of primaries got out of hand. Today, we are faced with a virtually unmanageable morass of state-by-state contests.

The most glaring problem with the primary system as it now functions is that it is an unconscionable drain on a candidate's time, money, and energy. Any candidate who chooses to take the primary route to the national convention—and few have any other option—is faced with an obstacle course of 23 possible contests. For four months he must run from state to state, with no rational geographic pattern, making almost daily appearances. At the same time, he has to bear his responsibilities as a senator, governor, mayor, or whatever. In my view, primaries are more tests of wealth and endurance than they are tests of ability.

Then, too, we must admit that the primaries are not much easier on the public. Night after night we as a people are subjected to reports of this or that candidate riding a bike, trying his hand at baseball, all generally exhausting himself at everything but a full discussion of the issues. That is yet another deficiency of our present system. It encourages discussion only of the most parochial concerns, those of interest to the relatively few voters who take part in each contest. It is a wonder that any candidate, or indeed the electoral process itself, emerges from the primary circus with a shred of dignity.

We must also concede that the present system encourages political maneuvering not so different from the kind the turn-of-the-century reformers intended to eliminate. No two primaries offer precisely the same opportunities. Some are tied to delegate selection, others are not. Some bind their delegates to a particular candidate, others do not. Some are open to all voters, others are open only to registered party members. And, of course, no two constituencies are alike.

Survival in the primary maze becomes a test of one's skill in piecing together a winning combination of contests—a procedure not unlike putting together a meal from Column A and Column B in a Chinese restaurant.

Finally, the present system is clearly unsuited to its central purpose, that of presenting the convention with a candidate who can be expected to carry the greatest number of votes in the general election.

In the first place, with the crazy quilt of primaries and results, even the political analysts are left haggling over just what the returns mean. With no rational basis for comparing results, it's anybody's guess who the "people's choice" is for the party's nomination.

Secondly, the candidate whose views actually are the most representative of a greater portion of the people often fails to emerge as the winner. As candidates on his left and right choose their forums, he is subject to attack from one side or the other throughout his campaign. Even though his opponents would fare poorly in a national contest, they can successfully reduce his margin of success in the primaries enough to draw his viability into question.

Perhaps that is why primaries are not viewed so much as "makers" of candidates, but as "breakers" of candidates. What we are likely to find at the end of the primary route is not a consensus candidate, but rather a heap of those who didn't make it. I cannot believe that that is the result the Progressive reformers had in mind 70 years ago.

With that background, I think it is fair to say that we now find ourselves at a crossroad not unlike the one the Progressive reformers faced. It is time once again to reform the manner in which we select our presidential candidates—keeping in mind the importance of voter participation in this process.

While no one has seriously suggested that we return to the smoke-filled room or that we adopt a suggestion made in the early 1800's that retiring Senators draw lots for the privilege of serving as President, some suggestions have been made.

From time to time it has been suggested that we switch to a national primary system in which all the states hold their primaries on the same day, under uniform conditions and procedures. Under some formulations, the winner would take all, going to the convention as the party's nominee. If no one has a sufficient plurality, there would be a runoff. A variation on this theme would send the top three names, or the names of those with a certain percentage of the total vote on to the convention for final selection. This variation does away with the cumbersome runoff procedure.

Under the national primary system we would eliminate many of the disturbing variations among state primaries. We would also telescope the primary process into a shorter period. On the other side, there is the argument that lesser known or minority candidates would suffer greater hardship under a one-shot primary. And a run-off election, of course, would mean three national elections within a relatively short period of time.

Another important proposal is the so-called "regional primary" plan under which candidates would run in five primaries in large geographical chunks of the country, each held at a different time. This plan heightens the risk that several candidates, each with a single regional base, would be sent on to the

convention. But it would be less of a drain on the candidate and the public, at the same time providing a longer period for lesser known candidates to get their views across.

Finally, it would help even if all we did was telescope the existing state primaries—with all their variations—into a one-month period. At least we would cut down on the boredom of the public and the strain on the candidates, at the same time legislating in a way that would not raise serious Constitutional questions about federal interference with the prerogatives of the states.

Each of these plans has advantages and disadvantages. Whatever system we choose to replace the present one, there will be trade-offs. But the campaign of 1972 has made abundantly clear that the present system has terrible disadvantages with few, if any, advantages. It is in many ways, the worst of all possible worlds.

THE ADMINISTRATION'S NEW TRANSPORTATION PROPOSAL: FEAST OR FAMINE FOR MASS TRANSIT?

Mr. WILLIAMS. Mr. President, as a Member of this body I have over the years been an advocate of expanding the Federal commitment to urban mass transportation. Therefore, I view the administration's most recent urban transportation proposal with considerable concern. This proposal, on its face, appears to give real impetus to mass transportation by opening up the highway trust fund to transit expenditures. However, on closer examination, I believe that the administration's recommendation would in fact shortchange our cities and towns which are desperately in need of additional Federal assistance.

Under the administration proposal, urban areas could be far worse off in terms of Federal aid than under present financing patterns. Specifically, the administration proposes no new funding for the Urban Mass Transportation Administration and would eliminate the separate transit program altogether. In its place, mass transportation would be eligible to receive highway trust fund moneys. Significantly, however, a very substantial portion of the money slated for urban areas would be under State control. And it is a well known fact that the States have traditionally been first and foremost proponents of highways. Moreover, funds which would be under the urban areas' own determination would be available for highway or transit use, thus limiting the amount available strictly for transit purposes. Additionally, the administration proposal would virtually preclude concentrated funding of new mass transit systems.

Mr. President, the foregoing reasons highlight my reservations concerning the administration's proposal for urban transportation funding. Before enactment of any legislation based on this proposal, I believe the Congress will want to give careful scrutiny to the actual effect on Federal support for mass transportation. Certainly we do not want to delude ourselves into believing that any proposal to permit expenditure of highway trust funds for transit is an improvement over the existing situation. In fact, such proposals may portend famine rather than feast for our critically needed mass transit systems.

Mr. President, a full discussion of the principal drawbacks to the administration's proposal is contained in an excellent article entitled "Gift Horse," published in the April 15 issue of Forbes magazine. So that all Senators may have the opportunity to aprise themselves of the potential drawbacks contained in the administration's program, I ask unanimous consent that article be printed in the RECORD.

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

GIFT HORSE?

The Administration proposes dipping into the Highway Trust Fund to help mass transit. Is the Volpe plan what it seems? Or is it a disguised victory for the highway lobby?

Take a closer look at what the Administration calls a plan to give a break to mass transportation. Critics say it's a quiet way to perpetuate the Highway Trust Fund beyond its statutory expiration date, to keep paving the U.S. for years to come, while mass transportation gets the leavings.

The Highway Trust Fund is a fund collected from federal gasoline and other excise taxes. It's earmarked for highway building. No economy ax can touch it. The fund will spend $4.7 billion this fiscal year; it has spent $54.2 billion since 1956. But it's supposed to expire in 1977.

Transportation Secretary John A. Volpe has come up with a plan. Extend the Highway Trust Fund until 1980, he says, but use some of the money for mass transportation.

Does this sound like what the environmentalists and anti-asphalt groups have advocated, Well, it is not.

The Volpe plan would add no new funding for the Urban Mass Transportation Administration (UMTA). It would eliminate separate funding for urban transit altogether. In its place Volpe would take $1 billion out of the Highway Trust Fund for fiscal 1974 and put it into a Single Urban Fund along with the final $850 million of the original UMTA authority. After fiscal 1974 the Single Urban Fund would be financed solely out of the Highway Trust Fund at a rate of $2.25 billion a year from 1976 to 1980. (The Interstate Highway System would go on receiving $3 billion a year all this time.)

Isn't this at least a start toward what the environmentalists and mass transit advocates want? Not necessarily. The Single Urban Fund money would go to the cities and states for all forms of transportation—highways and subways. The subway people would be indeed fortunate to get their hands on half of it. Even then the Volpe plan would disburse the money broadly to communities on the basis of population. While this sounds reasonable in theory, in practice it would prevent the kind of concentrated funding allowed presently under UMTA. As the table on page 28 makes clear, the Volpe plan would give less money to almost every major metropolitan area that is engaged either in building, modernizing or planning a rapid rail transit system. In short, the Volpe plan would give too little money to make the choice between rapid rail and highway transit any but a make-believe choice.

Says an aide to protransit Republican Senator Gordon Allott of Colorado, who sits on the Appropriations Committee: "You can program a decision by giving false choices. The highway people present false choices. They say you can have a heavy rail transit system that costs this much or you can have, for a lot less cost, busways." Mayor Sam Massell of Atlanta, who also serves as president of the National League of Cities, says of the Volpe plan: "This limited amount of funds would not allow the urgent and pressing needs of Atlanta and similar cities to be fulfilled."

The Administration isn't listening. "Our program provides a continuous source of financing for transit," argues Transportation Undersecretary James Beggs. "Opening up the trust fund relates to long-term financing. We're addressing a continuous source of financing." He adds, "Look, we've been told for years this is the thing to do, open up that trust fund. Now we're doing it and they say it's not enough." He echoes Volpe's statement to Congress: "Now is the time to break away from the established pattern of separate highway and mass-transit programs."

Such statements are not entirely convincing. There has been a real mass-transit program only in the last two years, or since Congress passed the Urban Mass Transportation Act in 1970. What the Volpe plan would do would simply subordinate the infant program to the older highway program. Not only would highways get money from the Single Urban Fund, but Volpe's plan proposes separate annual funding totaling $1.2 billion for primary and secondary roads and rural highways. Clearly construction man Volpe, who was the first Federal Highway Administrator in 1956, hasn't forgotten his friends.

Before 1970, funds for urban transit ran at a token level while the highways spun out across the landscape. New Jersey's Senator Harrison Williams was a voice crying in the wilderness for mass transit. He remembers when urban transit got $60 million from the Congress in 1965, a year when highways received $4 billion. But with the rising consensus of suburban and urban interests, mass transit gathered support. In 1970 Congress granted $3.1 billion for mass-transit projects through fiscal 1974, but stipulated that such contract authority must be updated by each succeeding Congress until a total contract authorization of $10 billion was used up. This year the transit lobby hoped to piggyback an authorization of $5.8 billion for fiscal years 1973 through 1977 onto the original authority and thereby provide urban transit with some real money.

"In passing the 1970 act (UMTA), the Congress clearly intended to establish a ten-year federal commitment for the funding of urban mass transportation systems," Williams wrote Volpe last month, chastising the Transportation Secretary for not coming forward as he is required to do with the Administration's proposals for funding mass transit. Williams feels that Volpe's plan would make urban transit, specifically rail transit, a permanently poor second cousin. It would also, in the niceties of Washington maneuvering, remove Williams' Senate Banking, Housing & Urban Affairs Committee from consideration of funds for transit.

Department of Transportation's James Beggs comes close to revealing the Administration's real priorities when he says: "The only places subways are needed are in the big cities on the coasts. Between the Appalachians and the Rockies there are cities that are well served by their highway transport."

Such a statement ignores the fact that St. Louis, Minneapolis-St. Paul, Pittsburgh, Denver, Kansas City, Houston, Dallas-Ft. Worth, and even Detroit are considering some rapid rail transit in their mix in the Seventies. Chicago has rail transit and has raised the necessary matching grants to bring in the federal money for modernizing it. For mass transit, the money comes in at a rate of 70% federal for every 30% local money. This is in contrast to Highway Trust Fund money which goes into the interstate at the rate of 90 cents federal for every dime of local money.

Yet local support for improving transit systems under the provisions of UMTA has been impressive. "In Atlanta," says Mayor Massell, "the voters recently approved a special sales tax earmarked for construction of a $1.3-billion rapid-transit system. This sys-

tem includes 50 miles of rail rapid transit, a 14-mile busway and 1,500 miles of local feeder buses. Other metropolitan areas have made equally strong commitments to mass transit." And Atlanta is not unique.

The rail transit lobby does not yet have the corporate clout of the highway lobby. Companies involved in rail transit include General Electric, Westinghouse Electric, Budd Co., Rohr Corp., the St. Louis Car division of General Steel Corp. and the Westinghouse Air Brake division of Bendix. As more subway money flows, however, additional companies would find they have a stake.

So what is the upshot of the Administration's plan? It probably won't become law this year. There just isn't enough time for the Congress to tackle such a complex political football. Meanwhile, the urban transit lobby has scaled back its request for future authorization to $2.9 billion for fiscal years 1973–75. It stands a good chance of getting it. Its request would bring annual authorizations for urban transit to $1.5 billion when coupled with the original UMTA money, a level that would be 29% of what the highways would get in fiscal 1973. But they would be sure of getting it, which is more than they would be under the Volpe plan. This would give the cities the necessary funding to go ahead with their rapid transit plans and programs, while it would give the urban transit lobby time to fight for a better share of the Federal Government's distribution to transportation in this country.

Is it any wonder the public is confused by economic politics? The Administration says it wants to break up the Highway Trust Fund when what it really wants to do is to prolong it. And the mass transit lobby says, no thanks, we don't want part of the Trust Fund, we'd rather have our own separate funding. Is it any wonder there's a credibility gap?

FORCED BUSING OF SCHOOLCHILDREN

Mr. ALLEN. Mr. President, New York State continues to lead the way in devising legislative means to overcome the effects of forced busing of schoolchildren to achieve racial balance in public schools. I am continually amazed by the remarkable similarilty in attitudes of the people of New York State and of New York City, for that matter, with those of the people of Alabama on the question forced busing.

In 1969, the Legislature of New York State enacted a bill to prohibit the use of forced busing by local school boards and by the State education commissioner as a means of desegregating the schools. This legislative action faithfully reflected the sentiments of the people of the State as expressed through their elected representatives to the State legislature. However, we know that the U.S. Supreme Court, in the exercise of its powers of omnipotence and by invoking the judicial doctrine of divine revelation in such matters, declared the law unconstitutional. The Court cited as authority the revised and edited version of the U.S. Constitution left to us by the Warren Court.

Mr. President, this last incident did not foreclose the options. Facts disclosed in an article by Iver Peterson which appeared in the New York Times on February 23, 1972, make it clear that busing students to achieve racial balance in public schools had really never been a major problem in New York City. This, despite the fact that the city schools are among the most racially imbalanced in the State. In fact the article reveals that New York City has never had a busing program and that the school administration had not bothered even to develop proposals for one. After all, why should the city of New York bother with busing when it relied on a policy of freedom of choice? Of course, in New York City and in other areas of the country, "freedom of choice" refers to the policy of "open enrollment." Therefore, such minute busing as does occur in New York City is purely voluntary.

Mr. President, the people there are not concerned about massive busing and crossbusing such as children in the South must suffer and endure. The U.S. Supreme Court, the Department of Justice, and the Department of Health, Education, and Welfare treat New York City's system with hands off reverence and benign neglect. However, the unquestioned fact is that southern public schools are far more integrated than the schools in New York City. According to a recent study, 88.7 percent of New York City's schools are racially imbalanced—906 of those schools range from being seriously imbalanced to "totally segregated." In commenting on this gross discrimination and mistreatment of schoolchildren in the South, none dare call it politics. I commented on this last article in remarks printed in the CONGRESSIONAL RECORD of February 23, 1972, pages 5115–5116.

Mr. President, the New York Assembly has once again expressed the will of the people of the State of New York on the busing issue. By a vote of 99 yeas to 44 nays, the assembly favored a 1-year moratorium on forced busing as a tool for achieving racial balance in the State's schools. The bill now goes to the State senate where, according to a New York Times article of Wednesday, April 26, 1972, "The prospects for passage in that House were good." Governor Rockefeller has previously expressed himself on the President's proposed moratorium on busing as a "very constructive approach." So it would seem reasonable to expect his support of the assembly action. During assembly debate on the issue, the moratorium on busing in New York State was justified on the ground that it was made necessary by a "rash of edicts and orders by various bureaucrats and by judges who are not responsible to the will of the people."

The assembly majority leader, John E. Kingston, said that busing pupils to achieve racial balance "has disrupted the orderly administration of the educational process and has divided our society." Mr. President, it is my firm conviction that the assembly has expressed the sentiments of the people from every State and region of the Nation.

When we recall that all forced busing orders to achieve racial balance in public schools have been justified by the U.S. Supreme Court as a proper exercise of equity powers, and when we consider that the orders now compel forced busing across school district lines and across boundaries and jurisdictions of cities and counties, we cannot but be astounded by the new concept of equity that vests discretionary powers in Federal judges to disregard the existence of the jurisdictions of separate political subdivisions of State and local governments in order to implement an insultingly racist dogma of racial balance.

Mr. President, I hope that the New York State Assembly bill will be enacted into law. If so, there is good reason to believe that the validity of the law will finally be determined by consultation with our judicial oracles who will faithfully disclose the heretofore hidden knowledge of divine purpose. Otherwise, commonsense and a devotion to the principles of freedom and liberty, as expressed through elected representatives of the people would prevail. And this is a state of affairs which cannot be tolerated by oligarchs.

In this connection, at least one candidate for the office of President, Gov. George C. Wallace, has advocated a constitutional amendment to make the omnipotent Federal bureaucracy answerable to the people by means of periodic reelections in the case of U.S. district court judges and by means of periodic Senate reconfirmations of other Federal judges, including U.S. Supreme Court oracles. If these people are to act in the role of gods, they should be made to show their credentials. If they continue to act as superlegislative bodies, then they should be answerable to the people. This issue is fast coming to a head and it may be decided in this presidential election year.

Mr. President, I ask unanimous consent that the article from the New York Times of Wednesday, April 26, 1972, entitled "Assembly Backs a Halt in Busing," be printed in the RECORD.

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

ASSEMBLY BACKS A HALT IN BUSING

(By William E. Farrell)

ALBANY, April 25.—After nearly four hours of intense and sometimes rancorous debate, the Assembly today approved a bill to impose a one-year moratorium on busing as a tool for achieving racial balance in the state's schools.

Despite charges that it was unconstitutional and amounted to "racism," the measure easily passed by a vote of 99 to 44, with proponents contending that it was a stopgap measure while Congress considered President Nixon's proposed national moratorium on all court orders that would require busing to achieve school desegregation.

The bill now goes to the Senate. A spokesman for Senate Majority Leader Earl W. Brydges, Republican of Niagara Falls, said that the prospects for passage in that house were "good."

A spokesman for Governor Rockefeller declined this evening to say what action he might take, but Mr. Rockefeller said last month that the President's proposed moratorium on busing as a desegregation tool was a "very constructive" approach.

Mr. Rockefeller also said then that the Board of Regents, the highest educational policymaking body in the state, would have to review its commitment to busing as a means of achieving racial balance.

Shortly afterward a majority of the 15 Regents reaffirmed their support of busing, a move that also upheld the position of State Education Commission Ewald B. Nyquist.

Today's Assembly action was a clear slap at both the Regents and Mr. Nyquist, and it

was accompanied during the debate by remarks that educational decisions were being made by a "rash of edicts and orders by various bureaucrats and by judges who are not responsible to the will of the people," as Assembly Majority Leader John E. Kingston, Republican of Nassau, put it.

The bill says that busing pupils to achieve racial balance "has disrupted the orderly administration of the educational process and has divided our society."

It prohibits the Commissioner of Education and any appointed school board in the state from "promulgating any order, rule or regulation requiring the attendance for regular instruction by a public-school pupil at any school for the purpose of achieving racial balance."

It also suspends any such orders issued since January 1971, until Sept. 1, 1973. In addition, it prohibits elected school boards from busing across district lines to effect racial balance. There is no prohibition of busing within a district.

A similar bill prohibiting the use of busing by appointed school boards or the Education Commissioner was enacted in May, 1969, and served as a model for some Southern school districts that sought to avoid integration.

The 1969 law was ruled unconstitutional by a Federal court, and the finding was upheld on May 3, 1971 by the United States Supreme Court.

"I hate to see this state try to get in front of George Wallace," said Assemblyman Guy R. Brewer, Democrat of Queens, as the lengthy debate commenced today.

Assemblyman Albert H. Blumenthal, Democrat of Manhattan, said that busing had long been an acceptable mode of transporting children to school in this state and that the concept was "not the problem."

"The problem is quality racial integration," Mr. Blumenthal said. "We've talked a great deal about knee-jerk liberals and about a whole variety of liberals, and some of the criticisms are true, but I don't think we should become a Legislature of copycat conservatives."

STOPGAP INTENT CITED

Assemblyman Rosemary Gunning, Republican Conservative of Queens, who explained the bill in the absence of its sponsor, George Van Cott, who was ill, said its purpose was to "hold in abeyance any plan which would create greater turmoil and greater expense until there is a determination on the national level."

Assemblyman Stanley Harwood, Nassau Democrat who opposed the bill, said it was "a diversionary tactic" aimed at directing "the attention of the electorate from the failures of this Legislature" to deal with major issues, such as mental institutions, prison reform and unemployment.

The measure drew a strong attack from an upstate black lawmaker, Assemblyman Arthur O. Eve, Democrat of Buffalo, who said: "You don't want us in your school, and you don't want to come to our schools, and you don't want to give us control of our schools."

CAPITOL REEF NATIONAL PARK

NATIONAL PARKS DRAW TOURISTS

Mr. MOSS. Mr. President, at the time Congress was considering my bill to establish Capitol Reef National Park in the place of the existing national monument, some people—both in Utah and in Washington—questioned the wisdom of upgrading the area to national park status. Aside from the need to adjust the boundaries, and to assure, by statute certain other management practices for the park, I argued that a national park would be more attractive to visitors than a national monument, and would bring greater economic benefits to the surrounding area.

My contention has now been borne out. Capitol Reef National Park was established by law last December. It was dedicated earlier this month. Superintendent Franklin Wilson reports that already business is picking up. Both the number of inquiries about the park and the number of visitors have increased many fold. The story of the growing popularity of Capitol Reef National Park in southern Utah was carried in an article in the Deseret News on April 19, and I ask unanimous consent that it be placed in the RECORD.

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

CAPITOL REEF DRAWS TOURISTS

(By Bill Ewer)

CAPITOL REEF NATIONAL PARK, WAYNE COUNTY.—It's amazing what a new name will do for business.

A few years back, when Capitol Reef was still a National Monument, everyone connected with the central Utah wonderland was doing everything they could to drum up the tourist trade.

From a scant 7,000 people in 1955, visitations to the monument grew to over 400,000 last year.

The flood gates were really opened when Capitol Reef became a national park last December. Dedication rites were held only 12 days ago, but the word has gotten around and the Parks Service is reporting a 50 percent increase in traffic so far this year.

"The new name certainly has had an effect," says Superintendent Franklin Wallace. "People hear about a new national park and they want to go see what it's like. People just want to see a national park more than they do a national monument.

Wallace reports information requests from people planning to visit Capitol Reef have reached 50 to 60 a day—up from about 10 a day last year.

Most people visiting Capitol Reef in the past have spent very little time there. It was a nice place to drive through, but most visitors stayed close to U–24, the park's only paved highway.

"Now people are coming here to see the park and spend some time," Wallace said. "So far this year there has been a 75 to 90 percent increase in back country visitation. People are getting the word about the back country and are coming prepared to get off the main road and onto the jeep, horse and hiking trails.

"Places like Cathedral Valley, the Burr Trail, Capitol Gorge and Grand Wash have all of a sudden become the hot spots. Everyone wants to spend a few days in the out-of-the-way places, get away from the 'civilization' near the highway."

Despite Capitol Reef's new popularity, it still rates as a "best bet" for the tourist trying to get away from it all. And, its year-around availability, and moderate climate, make it an ideal fall, winter or spring vacation spot.

While most of Utah has been suffering through rain and snow for the past two weeks, the Capitol Reef area has been enjoying warm spring sunshine.

Main attractions of the park are its natural bridges, arches, historic Indian ruins and spectacular scenery. Its high-walled canyons, unusual multicolored rock formations and high plateaus make it highly rewarding to hikers, campers, or just plain amateur explorers who want to go places few people have been before.

But unless you plan on getting there soon, it appears you might have to send for reservations.

WITHHOLDING OF HIGHWAY TRUST FUNDS

Mr. CANNON. Mr. President, the latest figures show unemployment in this country hovering around the 5.9-percent mark. Bad as that is, it does not compare with Nevada, which is struggling with a 6.7-percent level. In the State's largest population center, Las Vegas, unemployment is at 7.4 percent.

This administration has made much of its efforts—so far unsuccessful—to reduce these figures. But it stubbornly holds to one practice which forces men off jobs across the country—withholding highway trust funds.

The history of this practice is well known to all of us who have endured it since 1966. There seems to be little doubt it is a direct frustration of the intent of Congress, without any legal sanction. Nor is there any doubt of the Congress' opposition to it—a number of bills, resolutions, and telegrams attest to that.

Still, the practice persists, while completion of the Interstate Highway System slips farther into the future, while State highway departments are reduced to guesswork in planning vital roads, while construction costs continue to rise and, most importantly, while more construction workers fail to find jobs.

In Nevada, the amount of funds withheld is expected to reach $35 million by the end of the current fiscal year. Keep in mind Nevada is a small State and $35 million in 6 years is a large amount compared with the $20 million or so appropriated there annually.

We have vital highway projects going begging because of a lack of funds—projects doubly important to Nevada because of its reliance on tourism. State highway officials say they could use at least $20 million just to complete the Interstate System through the State, and yet the administration hoards several million dollars a year that Congress has already approved.

The situation is so serious that the Governor of Nevada was forced into seeking a face-to-face confrontation with Transportation Secretary Volpe during the recent National Governors' Conference. Unfortunately, the distinguished Governor proved no more successful in dislodging impounded trust funds than Congress has been over the years. The Governor concluded the President's political advisors were dominating the highway program and expressed a thought he said was shared by many Governors—that impounded funds will be released later this year as a campaign tactic.

That may be fine for the President's reelection efforts, but it will not aid State highway departments who must plan now for projects to begin several months hence. Without assurance of funds, these projects must be postponed another year or longer.

Senator RANDOLPH, the able chairman of the Public Works Committee, has been fighting this practice for years. He has included language in past highway acts directing the administration to stop withholding funds. So far, this has been to no avail, but I have been assured that the distinguished Senator from West Virginia intends to try again. The 1972

Highway Act is scheduled for Public Works Committee hearings some time next month. I urge all Senators to join Senator RANDOLPH in seeking an end to this shortchanging of a vital national construction project.

THE COLLEGE GOES TO PRISON

Mr. WILLIAMS. Mr. President, I wish to talk about a most interesting article I came across in the Junior College Journal of April 1972. It tells about the Mercer County Community College prison education network system in New Jersey. This system brings higher education to inmates at four prisons within a 90-mile radius of Mercer Community College. It is one way of decreasing recidivism among prisoners. Recidivism is the habitual incarceration of people who commit crimes, are freed, and return to criminal activities over and over again. This group constitutes the highest proportion of our prison inmates.

The Mercer Community College program has given these people a chance to become useful citizens when they regain their freedom by helping them to gain a college degree or furthering their education when they are freed. It imbues tremendous psychological assets such as confidence and self-pride. It also gives the inmates a chance to obtain better employment when they return to the mainstream of society.

As one young prisoner poignantly described this process:

> Although different in many aspects, almost all of us are held together by common bonds, the desire to achieve, to improve ourselves, to learn and to reach a point that when our eventual release comes we will be better equipped to fit into, and contribute to, society. None of us wants to come back here.

In order to accommodate the obviously special circumstances involved in teaching courses to prison inmates several innovative methods were developed in the area of technological education aids. The director of the Mercer Community College media center worked with New Jersey Bell Telephone in designing a system whereby a staff member could instruct to four institutions at one time over live television. Teachers supplement this with visits to the prisons for classes and vocational or educational counseling.

A measure of the success of these teaching methods is demonstrated by the rapid increase in participants since the programs inception in the fall of 1971. It started with one course and 15 inmates and is now enrolling 270 inmates with sets of full-time and part-time student curriculums.

The cost of educating these prisoners is less per student than the per capita cost on the main campus, even with the high first-year acquisition of equipment.

Successful as this program is, it reaches only 7 percent of the educable prison population. It is limited to college-level inmates while there are many who need elementary and secondary level education.

The potential for bringing about a truly reformative process for prisoners has been demonstrated by the Mercer Community College program. Since we spend more on penal systems today than on education and since this is a time of legitimate concern over the crime rate, we should take heed of an idea such as this and give it every opportunity to develop in our penal institutions.

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

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

THE COLLEGE GOES TO PRISON

(By Richard K. Greenfield)

It is a reality, albeit a tragic one, that most states and governmental agencies spend proportionately more money today on penal systems than on education. Monies allocated for correctional institutions are primarily spent in continuing a system of incarceration and perpetuating the negativism of our present day approach to prison reform.

It is also a fact that a large percentage of inmates are "repeaters" who return again and again to institutional control and incarceration after short periods of freedom. This tendency to return repeatedly to prison—recidivism—has been the concern only of those deeply involved in penology. However, education as a discipline and educators as practitioners should share this deep concern. Our assets should be mobilized to help reverse this trend through education.

We in the education profession must accept some culpability for the failures which are reflected in prisoners. Though well intentioned and well designed, somewhere our educational systems have failed to motivate this segment of our society during the time it was in our care. Fortunately, enlightened correctional authorities are now working in concert with far-thinking and innovative educators, sociologists, psychiatrists, and counselors in developing educational programs in prison which are particularly suited to use the resources we represent.

COURSES FOR THE WELL-MOTIVATED

With these thoughts in mind, in 1968 Robert Hatrak, then the director of education at Trenton State Prison (located in Trenton, New Jersey), near Mercer County Community College, approached me with a request that the college offer courses within the prison for well-motivated inmates who felt they could handle college-level studies and who would soon be released to return to society. We shared the conviction that elevating an inmate's educational achievement would certainly result in improved attitudinal and behavioral changes and employability, hopefully reducing the probability of recidivism and giving inmates a new direction. On this basis, the college's board of trustees readily approved the recommendation. The board also endorsed a suggestion that tuition costs be waived for those inmates who expressed a desire for higher education but had no means of financing such.

The success of this initial effort at college-level education within Trenton State Prison may be gauged by its growth. Since its beginning, the program has expanded from one course and 15 inmate-students to six courses and over 88 inmate-students. This past June, five inmates were awarded associate of arts degrees in a unique commencement ceremony within the prison itself. These inmate-graduates had completed all their college course requirements while incarcerated. The best endorsement for the program came from a young prisoner who wrote: [1]

> "There has been much said about the college program here, but obviously those who make it work are we prisoners who participate in it. There is a great diversification between us in the program. In age, I am the youngest at 19, while the oldest is approaching 51. In other areas, there are men in the program for all different types of crimes, some with very short sentences, some with very large ones. Some of us are first offenders while others are second and third offenders. Although different in many aspects, almost all of us are held together by common bonds, the desire to achieve, to improve ourselves, to learn and to reach a point that when our eventual release comes we will be better equipped to fit into, and contribute to, society. None of us wants to come back here.
>
> "It is the general concensus among the men in the program that had they remained free they wouldn't have gone to college. Many of us feel that this program can be a great step forward in our lives, and that the start we get here will enable us to continue further upon our release, and prevent us from returning to prison."

EXPANDING THE PROGRAM

The enthusiastic response to this program at Trenton State Prison led logically to the assumption that it would be similarly accepted at other penal institutions if some means could be devised to bring college-level instruction into a number of institutions at low cost. The obvious use of closed-circuit television was ruled out at the very beginning because of the prohibitive cost of equipment.

However, a small informal study group headed by Donald Weinberg, director of the college media center, conceived the notion that the use of some types of new media equipment offered the potential of expanding current efforts at little relative cost. Working in conjunction with New Jersey Bell Telephone engineers, Weinberg designed a system that combined the use of college modified telelecture and electrowriter units with telephone circuits in a coordinated educational network, whereby one staff member could "instruct" in four institutions simultaneously utilizing these units.

The telelecture unit would provide two-way voice communication between the campus and each of the institutions included in the network. For example, the professor gives his lecture as he would a normal class and his lecture is heard simultaneously in every institution in the network. At the appropriate time, he pushes a button marked for each of the institutions and asks for questions or discussions on the topic at hand. While the professor is responding to a question from an inmate-student at one institution, inmate-students at all other institutions in the network hear everything that is going on. In this same fashion, an inmate in another institution who has something more to add to the discussion or to a question raised by his "classmate" at another prison may interject his views or ask for clarification.

TWO-WAY WRITTEN COMMUNICATION

There would be two-way written communication as well. The electrowriter, the other part of this interlocking system, would visually project illustrations, problems, experiments, written questions, and blackboard notes to all of the institutions simultaneously. As the professor writes on the "blackboard," his commentary, materials, and illustrations are transmitted electronically and projected on an overhead screen at each of the participating institutions. Thus the student not only hears the professor, participates in the discussion that transpires, and sees materials and notes, he also may send written notes and questions and answers back to the professor.

[1] David A. Willetts, "The College Behind Bars," the *Welfare Reporter*, Vol. XXII, No. III, N.J. Department of Institutions and Agencies, July 1971.

The system would provide a means of recall for subsequent reinforcement. All functions in the network are recordable and hence retrievable. Electrowriter signals and telelecture voice transmissions can be recorded on an audio-stereo tape recorder. Any inmate who misses the lecture or who feels it necessary to repeat it again can run the tape as often as necessary. Technologically, the system would be tied together by leased lines radiating from the college.

The system also provides a dubbing mechanism that permits the professor to embellish his lectures, thereby introducing interesting sidelights and additional materials that provide enrichment to instruction. During nonclass hours, one network line would be used to transmit "enrichment materials" which are then distributed over the amplifier system at each institution. This material encourages the student, recharges his enthusiasm, and present him with an opportunity to swing out on his own and explore paths that hold special interest to him. These enriching materials are specifically designed to add to his learning experience. They may be started and stopped at any time. Thus the highly motivated learner is provided an opportunity to shoot ahead when he is finally "turned on" and not to be kept plodding when he is ready to sprint.

With the strong support of A. Wagner, director of the New Jersey Division of Correction and Parole, and Ralph Dungan, the New Jersey chancellor of higher education, the state made $250,000 available to the college to initiate this imaginative and innovative concept. As a result, the M.C.C.C. Prison Education Network was officially launched in the fall semester of 1971. The network represents supervisory, counseling, instructional, and administrative capabilities in a staff of ten professionals. A concerted effort was made to find and recruit staff members with a deep sense of social awareness and commitment toward prison education and instructors who could communicate and relate to the inmate and his problems. (Interestingly, we had no shortage of excellent candidates from which to select a staff.)

FOUR INSTITUTIONS AND 270 STUDENTS

The Prison Education Network currently includes four New Jersey penal institutions: Trenton State Prison, the Leesburg Prison and its satellite Leesburg Farm, and the prison at Rahway. One institution is as distant as 91 miles from the college's main campus, though distance does not pose a problem because of the equipment and instructional mode being used.

We have enrolled 270 inmates in six courses this semester. Of this total, 186 are full-time; 84 part-time students enrolled for six or more credit hours of instruction. At present, four curricula are represented in these course offerings, one in general studies and three vocationally oriented curricula in business administration, accounting, and community services.

A mix of 270 inmates at various stages of learning, four widely separated institutions, six different courses, five instructors, two counselors, one director, one secretary, two maximum security prisons, and a limited budget may appear to pose insuperable handicaps. But the equipment that I have described permits us to overcome these problems to the extent that we are able to provide higher education easily, effectively, and at low cost to large numbers of widely dispersed students. Despite the obvious liabilities, the per capita costs for network students are less than comparable costs for students enrolled on the main campus, even with the high first-year acquisition costs of expensive equipment.

In addition to enrollment in regular courses, 23 inmates at Trenton State Prison—veterans of the college's earlier program—are now enrolled in the newly instituted credit-by-examination program. This facet of the educational network enables an inmate to study independently courses that are offered by the college but not taught as a part of the network curricula, and, when ready, to take a final examination for credit.

The 23 students in this program are pursuing from 3 to 12 credit hours above their "in-class" work load of six or nine hours, a formidable load for many students. But time to study is not a scarce commodity for inmates. The network with its participants provides an excellent laboratory to test, as it is, the concept of credit-by-examination under controlled conditions.

The program does not overlook the need of inmates for social contact with those on the outside. The telelecture/electrowriter equipment is used for two of the one-hour lectures each week; the third is taught by the instructor in person at each of the institutions. This means that every instructor teaching a three-hour course spends a minimum of six hours each week in the prisons. In addition, the network counselors visit inmates at each of the institutions twice each week for academic and, where possible, vocational work-release counseling. They are also on call for both day and evening counseling.

CAN REACH ONLY 7 PERCENT

There are problems associated even with this advanced approach to institutional education. However well conceived, the network system reaches only 7 per cent of the educable prison population and must necessarily be limited to educational offering. Remediation and rehabilitation services, inseparable parts of the education process, are not encompassed in the network. Potentially capable inmates who could develop educationally to college level are denied the opportunity to do so because there is no adequate program to carry the educable prisoner from illiteracy to college.

Even for those inmate-students who elect to participate in the courses, the network does not include a program for psychological and social adjustment counseling parallel with the educational program. Nor are inmate-students in the network able to interact with prisoners in other institutions or participate in related vocational experience in the form of "hands-on" training.

We view the Prison Education Network as phase one of a much bigger program to help decrease recidivism. It may be best described at this stage as "a patch on a building that doesn't need a patch but rather a new building." Yet in spite of the network's inability to solve the whole problem, we believe it is conceptually good as the framework for improvement and expansion. It is an attempt to solve the particular needs of inmates rather than putting them back into the old mold of failure they experienced on the outside. It is an "open door" to another silent minority. And an inmate enrolled in the program can be educated for a fraction of what it costs taxpayers to maintain him as an unwilling "guest" of the public.

We have noted that the institutional philosophy toward educating prisoners has changed since the college education program first began. Fissures are appearing in the traditional walling-in approach of locking up inmates to protect society. The trend today is to provide an inmate with the opportunity for the type of education and counseling that will enable him to function effectively in society when released so that he won't return to prison. There is a tremendous savings to taxpayers when inmates do not return.

The program is working. One inmate was released before he finished his associate's degree. In the one year he has been out of prison, he has graduated, been employed, and recently received an increase in salary at the direction of the company's board of directors—who also gave him a scholarship to work part-time on a bachelor's degree. This inmate had a long history of incarceration, beginning as a teenager. Prison educators are sure he won't return. And there are others like him.

What direction will prison education take now that this first step, the multi-media, individualized, self-paced network has been established?

Ideally, what is needed is a fully integrated and articulated educational program for the educable prison population. This would incorporate existing institutional and college efforts with remediation, educational upgrading, and vocational and psychological counseling into a single, cohesive, and correlated system which would deal with all prisoners, at all levels, from the illiterate through the well educated. Such a system of educational and social adjustment must be capable of carrying the inmate from his entrance level to his maximum potential. It should be paralleled by a program of vocational counseling to enable the inmate to use his new skills in a real life situation.

Whatever programs are initiated will depend upon continuing funds, but the next step must be the development of a master plan for prison education—a total system for educating prisoners. Governor William Cahill already has a special state commission working on the problem, and Mercer County is seeking federal and state funds to map a comprehensive plan to combat criminal justice problems.

To those of us whose enthusiasm has been kindled by the enormous potential and possibilities reflected in a truly comprehensive educational system in prisons, an approach such as we have outlined is that "second chance"—for prisoners and educators alike.

VIETNAM BOMBING AND GRAVEL-MONDALE BILL

Mr. CRANSTON. Mr. President, I am puzzled by what the President seems to be saying. He is calling for peace with honor, peace for generations to come, but never peace now.

The rhetoric surrounding the current American escalation clings to a perplexing and contradictory rationale. On the one hand we are told that the current North Vietnamese offensive is so different from past operations that it justifies punitive bombing raids on Hanoi and Haiphong. Because of the presence of sophisticated antiaircraft equipment, SAM's, T–54 tanks, and large-scale troop movements across the DMZ, the President asserts that the fighting has entered a new stage. In his address of April 26, he warned that present options will remain open as long as the current thrust continues. So far, he seems to be saying, the North Vietnamese offensive is very new and very different.

On the other hand, when it comes to American lives rather than Vietnamese lives, the President's tone changes. It appears that the North Vietnamese moves do not make enough of a difference to halt American withdrawal after all. True, the withdrawal rate will slow down to 10,000 a month rather than 23,000 a month, but Mr. Nixon claims that this pace is part of a longstanding plan.

I believe him. I am convinced that the President intends to withdraw 20,000 more men, from the ground regardless of what happens. Since this withdrawal

is going to happen anyhow, and since bombing is going to continue, the bombs can have no other purpose than to prop up the Thieu government. I fail to understand why our national interest—and by implication the entire viability of American foreign policy—is supposed to depend on this corrupt crop of militarists.

The White House tries to camouflage this raw political-military stance by claiming that the stakes affect the entire cause of world peace. We are told that a civil war is really a war between two countries. If a Communist country—read North Vietnam—succeeds in conquering a non-Communist country—read South Vietnam—he tells us, then other countries will be encouraged to do the same thing in the Middle East, Europe, and other places.

This is nothing more than the old, discredited domino theory. What is really remarkable is that the President's advisers told him just the opposite in 1969. According to the responses to NSSM–1, the so-called Kissinger papers, the National Intelligence Estimate reported that even a Communist victory in South Vietnam would not necessarily unhinge the rest of Asia, let alone the rest of the world.

So we are left with the tired, wornout phrases of the 1950's. A war to bring peace. Peace with honor. Peace with something, but never peace without war.

If the so-called Kissinger papers tell us anything, it is that we cannot blame Vietnam war policies on poor information, bureaucratic distortions, disguised statistics, or any other feature of overstuffed organizations distant from battlefield realities. The questions are all there on paper. They are hard questions. The answers are there, too. They are frank answers. They differ, not so much in fact as in appraisal. The text of the summary says—

> While there are some divergencies on the facts, the sharpest differences arise in the interpretation of those facts, the relative weight to be given them, and the implications to be drawn.

Thus, in the end, we fall back on the wisdom, judgment, and perspective of our leaders. Most fundamentally, it appears, we fall back on the individual personalities of Mr. Nixon and Mr. Kissinger. Since they are tipping that critical balance in favor of prolonged destruction, we have a right to question the quality of their leadership. We have an obligation to challenge them. We have a duty to insist that wisdom and compassion are the better part of leadership.

Mr. President, the Senate has an opportunity to put teeth into its effort to end the war. On March 23, Senators MONDALE and GRAVEL introduced S. 3409, a bill to provide for the cessation of bombing and for the withdrawal of American military personnel from Indochina. I cosponsored that bill in the belief that we must act now.

We cannot quibble over whose bodies are joining the lists of dead and wounded. We must instead see that no more lives are blasted and wasted and maimed and crippled.

I ask unanimous consent that the text of S. 3409 be printed in the RECORD together with an up-to-date list of cosponsors.

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

LIST

Mr. Gravel, Mr. Cranston, Mr. Hughes, Mr. McGovern, Mr. Mondale, Mr. Nelson, Mr. Proxmire, Mr. Stevenson, Mr. Tunney, Mr. Bayh, Mr. Harris, Mr. Hart, Mr. Hartke, Mr. Humphrey, Mr. Inouye, Mr. Kennedy, Mr. Ribicoff, and Mr. Williams.

S. 3409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That subject to the provisions of section 3 of this Act, no funds heretofore or hereafter appropriated may be expended for longer than thirty days after the enactment of this Act to support the development of United States Armed Forces or any other military or paramilitary personnel under the control of the United States in or the conduct of military or paramilitary operations in or over the Republic of Vietnam, the Democratic Republic of Vietnam, Cambodia, or Laos.

SEC. 2. (a) That no funds heretofore or hereafter appropriated may be expended after the date of enactment of this Act to conduct offshore naval bombardment of, or to bomb (including the use of napalm, other incendiary devices, or chemical agents), rocket, or otherwise attack by air, from any type aircraft, any target whatsoever within Laos, Cambodia, Thailand, or the Democratic Republic of Vietnam.

(b) No funds heretofore or hereafter appropriated may be expended after the date of enactment of this Act to conduct offshore naval bombardment of, or to bomb (including the use of napalm, other incendiary devices, or chemical agents), rocket, or otherwise attack by air, from any type aircraft, any target whatsoever within the Republic of Vietnam unless the President determines any such bombardment or air operation clearly to be necessary to provide for the immediate safety of United States Armed Forces during their withdrawal from the Republic of Vietnam, and submits to the President pro tempore of the Senate and the Speaker of the House for immediate transmission to the respective bodies of the Congress, within forty-eight hours of each such bombardment or operation (or if the Congress is not in session, as soon thereafter as it may return), a written report setting forth the time, place, nature, and reasons for conducting such bombardment or operation.

SEC. 3. (a) If, by twenty days after the date of enactment of this Act, the Democratic Republic of Vietnam and other adversary forces in Indochina holding American prisoners of war have not made arrangements for the release and repatriation, by the date in section 1, of all such prisoners:

(1) the date in section 1 shall be extended for thirty days, and

(2) the Congress may by joint resolution authorize such further action as is recommended by the President to secure the release and repatriation of American prisoners of war.

(b) Nothing in this section shall be construed to affect the authority of the President to arrange asylum or other means of protection for individuals who might be physically endangered by the withdrawal of United States military or paramilitary personnel from the Republic of Vietnam, Cambodia, or Laos, or to arrange for the return of United States equipment or stores from the Republic of Vietnam.

CUTBACK IN OPERATING BUDGET OF USIA

Mr. McGEE. Mr. President, with all due respect to the views of Senators who support the Foreign Relations Authorization Act of 1972 in its present form, I should like to call the Senate's attention to one portion of the bill which I believe to be exceedingly unwise—the proposal to cut about one-quarter of the operating budget of the U.S. Information Agency. This cutback would, in effect, cripple a small agency with a big and important job.

There can be no serious question about the need for a Government information program or the importance of the USIA's function in the conduct of our foreign affairs. Its efforts are closely integrated with the activities of other U.S. agencies engaged in foreign relations, and its role is a permanent one. As the Foreign Service Journal noted editorially a few years ago:

> Today it is rare to find a Chief of Mission or other seasoned Foreign Service officer who believes that any large modern nation could conduct its foreign affairs successfully without a substantial public affairs arm.

The need for an official information program to support our foreign policy and advance the interest of the United States has been repeatedly recognized by successive Presidents over the past 20 years. President Eisenhower, in his budget message to the Congress in 1955, said:

> I believe it is of the highest importance that our program for telling the truth to peoples of other nations be stepped up to meet the needs of our foreign policy.

Nor did this conviction leave him when he left office. More than 10 years later he wrote, in an article for the Reader's Digest:

> The hard truth is that this task of communication is so great that, in the main, it must be done by the federal government.

President Johnson, speaking in 1965, said:

> In this era the USIA has the most valuable role to fulfill. It is a most important arm of our Government. There is no partisanship associated with it because the success of the USIA is a success for all Americans.

And just a few months ago, President Nixon issued a statement declaring:

> Just as the world has changed in the last thirty years, so too has the Voice of America . . . Never has the role of the VOA been more important than now. . . .

With full admiration and respect for the power, skill, and sophistication of our private news media, I submit that they were never intended to do the job for which the USIA was created. Understandably, the commercial media give greater coverage to spectacular events—riots, demonstrations, scandals, and disasters—than to those often undramatic aspects of American life, culture and history essential to an understanding of our country and its policies. The continuing efforts to explain the facts and underlying principles of our policies, to correct the willful or unintentional distortions about our country abroad—the daily task of USIA—is simply not the

primary purpose or concern of the private commercial media.

The charge has been made that the USIA is an anachronistic holdover from the cold war. I find that view surprising, since certainly none of the other major powers regards official information programs as anachronisms. The Soviet Union leads the world in international broadcasting, both in the number of hours broadcast weekly and in the number of foreign languages used. The People's Republic of China is second. The Soviet Union distributes some 67 magazines in over 15 million copies each year, and 8 newspapers in 38 million copies in 20 languages. I have not the time to go into detail, but I am impressed by the fact that the U.S.S.R. also sends about 50 million books abroad each year in over 30 languages, and through foreign publishers produces some 8,000 titles in around 100 million copies.

China has an extensive program for the distribution abroad of magazines and books in many languages, and Cuba, as I assume we all know, is extremely active in international broadcasting as well as in the distribution abroad of magazines, films, and its own version of the news.

The major powers of Western Europe have not failed to see the need to support the national interests with official information and cultural services. The United Kingdom Commission of Enquiry on overseas information services—the Dorgeda Commission, 1954—drew some timeless conclusions about a great power's need for such services.

> We have found it impossible to avoid the conclusion that a modern government has to concern itself with public opinion abroad and be properly equipped to deal with it . . . The information services must today be regarded as part of the normal apparatus of diplomacy of a great power.

The Duncan Committee reached the same conclusion in a review made in 1969. I would point out briefly that Great Britain, in addition to its worldwide BBC broadcasts, carries out informational and cultural programs abroad through 118 centers and 204 libraries. France, which has been a pioneer in this field, spends about $182 million a year in its overseas information efforts and maintains over 160 cultural centers and 59 institutes abroad. West Germany's foreign information and cultural activities, including its prestigious Goethe Institutes, cost over $150 million, and about $33 million annually is spent on international radio broadcasting.

I stated a moment ago that the cut of over $45 million proposed in this bill would cripple the U.S. Information Agency. This is no exaggeration. And by specifying the cuts for each media and activity while denying the agency the flexibility to transfer funds between programs, the damage is compounded.

Under S. 3526 the agency's salaries and expenses appropriation has been subdivided into five categories—radio; press and publications; motion pictures and television; centers and related activities; and direction and general support. Funds for four of these five have been cut by 30 percent, and the Director of the Agency is denied the right to change the "mix" of media used in responding to events and opportunities. It is obviously not possible to plan in advance precisely what media tools will be needed to use total resources most effectively. A missile crisis may require more radio broadcasting. A dramatic space achievement can be exploited by more films and television. An opportunity in East Europe can be seized by the establishment of a new cultural center. These actions cannot be anticipated. Yet this needed flexibility would be precluded under the bill.

The Agency has undertaken a review, necessarily a preliminary one, of the effects the proposed cutback and restrictions would have on its operations and personnel. It is important that we understand fully what we would be doing if we approved this reduction, so I shall cite some of the results:

USIA would have to close approximately 65 of its installations abroad, including the total abolition of its posts in some 30 countries. The Voice of America would stop broadcasting in about 25 languages, including some or all of those to Eastern Europe and the Baltic States. It would also have to close down perhaps seven of its 15 relay stations and three of its regional program centers. Do we really want to muffle the Voice of America to this extent?

It would eliminate the regional magazines distributed throughout Africa, the Arab countries, and the Far East, as well as the highly regarded magazine in Polish, Amerika Illustrated, and between 80 percent and 90 percent of the magazines the Agency tailors for single country distribution.

This cut would terminate the services of nearly 2,400 employees, or about 25 percent of the present staff. I would point out that the present staff of 9,877 is considerably less than the Agency's staff when it was established in 1953. About 1,000 Americans would be dropped. Most of the 2,400 people who would lose their jobs, both American and foreign, are career employees who have developed special skills, an understanding of other nation's points of view, and vital language and communications abilities. Once removed, they could not easily be replaced. Is it really our intention to deprive the Government of this talent and irreplaceable experience?

I would point out that it takes years and painstaking effort to assemble and train qualified people, to organize a cohesive and effective and properly equipped organization, and to create a communications network which we, in the instant of our vote on this bill, can cripple or destroy.

And above all, I question whether we should undertake this well nigh irreversible step of disestablishment before—before—we know the results of the foreign policy study by the Commission which title VI of this bill sets up.

The study which the proposed Commission would undertake is, in my view, a welcome and much needed one, and I regard title VI of this bill as sound and timely. The results of the study could make a great contribution to the more effective organization of the foreign affairs agencies of our Government.

But would we not look foolish, if we were to make a crippling cut in the U.S. Information Agency—only to have the Commission present us with a recommendation that this Agency be restored to its present capabilities—or even augmented?

By voting for this bill as it stands today, I submit that we are assembling experts to undertake a diagnosis—and at the same time, performing surgery—drastic surgery—before the diagnosis is made. In my view, this makes little sense. The course of logic would be to await the Commission's findings—not to preempt them now by hastily cutting with no sure sense of the direction we should follow or the damage we would do.

I confess that I find it difficult to understand why the committee proposed such a drastic cut in the Agency's authorization request. The committee report states the decision was based "in large part on the Agency's refusal to make its country program memoranda and other planning information available to the committee as requested." Yet the Agency was acting under written instructions from the President—indeed, the President's memorandum to the Secretary of State and the Director of USIA directing them not to make such planning documents available is printed in the committee's report. Should we punish the USIA because its Director complied with a White House directive? I deplore the excessive use of Executive privilege to deny to the Congress the information we need to carry out our legislative responsibilities, but we should not make the USIA the victim of an executive-legislative disagreement of principle which is vastly beyond the Agency's authority.

The committee report states that without the information contained in the country program memoranda it was asked to approve the Agency's budget authorization request "in the blind." I do not agree with this. USIA cooperated fully with the committee and gave it all the information requested except for those items specifically prohibited by the President. To my knowledge, the USIA provided the committee with an 88-page book detailing the purposes and activities on a geographical and media basis. The Director and principal officers of the Agency responded to all questions in 3 days of testimony and have provided numerous inserts for the record at the committee's request. The Agency has answered in writing over 90 questions posed by the committee before and after the hearings. Hundreds of examples of USIA press, publications, radio and film products have been made available in response to the committee's requests.

I for one do not feel that the committee was asked to approve the USIA's request "in the blind."

I was surprised to read in the committee report that as far back as 1953 the Hickenlooper-Fulbright subcommittee "raised doubts about the media programs" of USIA. I was surprised because the doubts expressed in the 1953 report refer to efficiency of operations rather than to the basic validity of the motion

picture, broadcasting and press functions of the Government's overseas information program.

Far from challenging the basic tenets of the information program, including its media services, the committee in 1953 advised the Senate to "avoid drastic cuts in appropriations for the information program." The report further states:

> The Committee is unanimous in endorsing the continuance and strengthening of this program."

Focusing on specific media services, the report said:

> The Committee is of the opinion that the motion picture program should be continued.

Some particular publications were criticized, but the report nonetheless concluded that—

> The press and publications program, taken as a whole, is a useful instrument in furthering the purposes of the information program.

The report of the committee further suggests that over the years USIA's media services have just "growed"; that they have continued to expand despite the availability of private information dissemination.

I have already explained why private information dissemination cannot possibly substitute for a Government information service. Now what about the charge that the Agency's media services have continued to expand?

The facts are that neither the Agency nor its media services have growed. Quite the reverse is true. In 1953, USIA's predecessor agencies had dollar budgets totaling $123 million. Staff was 14,130. On a constant dollar basis—excluding the results of the very substantial wage and price increases that have taken place since that date domestically and abroad—the comparable dollar amount in the President's 1973 budget is $87 million—a reduction of almost 30 percent. And what is true in total is true of each of the media services: radio down 25 percent; press and publications down over 50 percent; motion picture and television down over 50 percent; information centers and related activities down about 10 percent. Staffing is also down over 30 percent from 20 years ago—to 9,855 in the President's 1973 budget.

The task of promoting and increasing foreign understanding of the United States and its policies is never ending. New generations abroad arise who need to be told of the distinctive American contribution to world peace, progress, and security and the relation of this contribution to their own concerns and hopes. Allies and neutrals cannot be taken for granted and the distortions of our adversaries must be countered. This is not a passing task, but a continuing one.

If I may briefly summarize: Our foreign information and cultural services play an important and indeed essential role in support of the objectives of our Nation's foreign policy. They must be regarded as an integral and normal part of the diplomatic tools of a great power, and they are so regarded by other major powers of the world.

The cuts proposed by the bill before us are excessive and would—as I have shown—seriously damage an agency whose activities are essential to our national interest. In my judgment, we more properly should be considering ways of making it more effective rather than crippling it.

Nor are we concerned with an Agency guilty of mushrooming growth. Indeed, USIA is now 30 percent below where it was 20 years ago, in terms of real resources. In the last 5 years it has been cut some 15 percent in money and people. The cut proposed by the committee would leave it over 20 percent below where it has been at any time in its existence.

I welcome the proposal for a Commission to study the overall organization of our Government's foreign affairs agencies, but I submit that it makes no sense to dismantle one of these agencies before we have the Commission's recommendations.

Finally, I repeat that it would be both unwise and unfair to punish the U.S. Information Agency for obeying a Presidential directive that forbade it to give certain planning papers to the committee. The USIA cooperated fully with the committee during the hearings, and it furnished voluminous information and materials. Let us not sacrifice our country's foreign information services as a pawn in what is essentially a disagreement between the legislative and executive branches.

I would like to conclude by recalling a passage from a letter by President Eisenhower to the distinguished Senator from Rhode Island (Mr. PELL) concerning the creation of a Foreign Service Information Officer Corps, in which he wrote that:

> Hostile propaganda is painting for foreign populations a false picture of America's purposes and aspirations. We ought to give priority attention to this matter; it is far more important than many other Federal programs.

I agree with that, and I urge Senators to join with me in supporting a restoration of the cut in the USIA's budget authorization.

MEDICAID DRUGS IN NURSING HOMES

Mr. MOSS. Mr. President, the staff of my Subcommittee on Long-Term Care is currently preparing a report on nursing home problms which is based upon the 19 hearings we have held since July 1969.

Among the issues which the subcommittee has under study is the question of the flow of drugs through nursing homes. Preliminary data indicates that this constitutes one of the most significant problems in the nursing home field. Some suggestion of the seriousness of the problem may be indicated by studies which point out that the incidence of drugs administered in error in nursing homes may be as high as 40 to 50 percent.

Other allegations suggest that patients indiscriminately receive tranquilizers to keep them quiet and make it easier on the staff. Still other charges include easy access to nursing home medications and even narcotics.

These are all important questions and the subcommittee is taking the time to evaluate them carefully. With the help of the General Accounting Office my subcommittee has assembled statistics which for the first time detail which drugs and in what amounts are paid for by the Federal-State, medicaid program.

This GAO audit of Illinois, New Jersey, and Ohio prepared at my request, indicates that roughly 37 percent of the drugs paid for by medicaid are central nervous system drugs, pain relievers, and tranquilizers. Slightly less than 20 percent of the total drugs purchased were tranquilizers.

In short, tranquilizers were far and away the largest category of drugs purchased by medicaid for the elderly. While I recognize there are some legitimate uses of tranquilizers in nursing homes, the sheer volume of the drugs creates at least an inference that they are given without proper medical controls.

All of these questions will be examined in detail and I welcome comments from any interested party.

Mr. President, I ask unanimous consent that the GAO audit of medicaid drugs in Ohio, Illinois, and New Jersey be printed in the RECORD.

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

DRUGS PROVIDED TO ELDERLY PERSONS IN NURSING HOMES UNDER THE MEDICAID PROGRAM

(Report to the Subcommittee on Long-Term Care of the Special Committee on Aging, by the Comptroller General of the United States)

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

Hon. FRANK E. MOSS,
Chairman, Subcommittee on Long-Term Care of the Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed are listings of prescribed drugs provided to recipients of old-age assistance in nursing homes under the Medicaid programs in Illinois, New Jersey, and Ohio. This information was obtained pursuant to your request of July 22, 1971.

On September 10, 1971, we furnished you with the information relating to Illinois only. To assist you in comparing the data in the three States, this report consolidates the drug information on Illinois with New Jersey and Ohio. These comparisons are shown in appendices I through VIII.

Officials who administer the Medicaid drug programs in these States furnished us with computer printouts listing purchases by drug name, number of prescriptions, and amount paid during the first month of each quarter of calendar year 1970. Assisted by a registered pharmacist on our staff, we grouped these drugs into 25 categories. The categories which we used are those contained in the American Hospital Formulary Service published by the American Society of Hospital Pharmacists.

As shown in appendix I, Central Nervous System drugs—which include tranquilizers—represent about 35 percent in Illinois, 36 percent in Ohio and 39 percent in New Jersey of all amounts paid for drugs on behalf of nursing home patients during these months. In appendices II through V we have identified the specific types of drugs which account for the majority of the purchases under the Central Nervous System category.

For 1 month (October 1970), we compared the number of prescriptions and amount paid for drugs provided to recipients of old-age assistance in nursing homes in these three States to drugs provided to all Medicaid recipients within the respective States. These comparisons, included as appendices VI and

VII, show that about 11 percent of all prescriptions paid for in New Jersey in that month were for old-age assistance recipients in nursing homes; the percentage was 16 percent in Illinois and 24 percent in Ohio.

Appendix VIII consists of selected statistical information on the Medicaid and intermediate-care programs in Illinois, New Jersey, and Ohio for 1970. Appendix IX contains a general definition of the drug categories used in the other appendices.

We plan to make no further distribution of this report unless copies are specifically requested and then we shall make distribution only after your agreement has been obtained or public announcement has been made by you concerning the contents of the report.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

APPENDIX I

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN JANUARY, APRIL, JULY, AND OCTOBER 1970 FOR DRUGS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES

Category	Illinois		New Jersey [1]		Ohio		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Antihistamine drugs	6,716	$21,328.43	1,970	$6,155.84	7,072	$23,048.16	15,758	$50,532.43
Antiinfective agents	20,503	103,455.06	4,620	20,955.40	16,711	112,956.02	41,834	237,366.48
Antineoplastic agents	19	73.68	19	66.38	24	124.17	62	264.23
Autonomic drugs	11,045	44,794.87	2,608	8,667.34	11,462	43,288.89	25,115	96,751.10
Blood derivatives								
Blood formation and coagulation	4,430	9,623.40	651	2,161.36	2,731	6,211.86	7,812	17,996.62
Cardiovascular drugs	26,689	81,836.27	9,357	28,404.76	23,677	75,714.27	59,723	185,955.30
Central nervous system drugs [2]	85,294	407,178.18	25,672	105,983.25	93,416	477,257.57	204,382	990,419.00
Diagnostic agents	146	228.34			1,344	3,778.46	1,490	4,006.80
Electrolytic, caloric, and water balance	24,636	96,896.38	6,423	22,821.87	18,357	72,730.11	49,416	192,448.36
Enzymes	302	2,288.26	69	398.36	523	3,068.21	894	5,754.83
Expectorants and cough preparations	3,884	8,842.61	460	1,547.20	3,180	7,368.75	7,524	17,758.56
Eye, ear, nose, and throat preparations	761	1,572.71	1,251	4,642.69	4,199	13,732.82	6,211	19,948.22
Gastrointestinal drugs	32,650	108,458.43	1,712	6,687.83	30,152	104,977.79	64,514	220,124.05
Gold compounds								
Heavy metal antagonists								
Hormones and synthetic substitutes	13,852	62,212.44	3,660	15,195.74	12,770	62,141.98	30,282	139,550.16
Local anesthetics								
Oxytocics			1	3.65	12	14.63	13	18.28
Radioactive agents								
Serums, toxoids and vaccines	3,429	10,056.74	108	470.62	279	391.83	3,816	10,919.19
Skin and mucous membrane preparations	7,167	24,794.98	799	3,870.65	4,064	18,772.63	12,030	47,438.26
Spasmolytic agents	3,228	10,398.80	2,151	10,850.74	8,648	60,050.11	14,027	81,299.65
Vitamins	29,929	84,984.09	3,357	9,709.85	12,083	38,041.46	45,369	132,735.40
Unclassified therapeutic agents	109	638.65	101	507.82	77	811.81	287	1,958.28
Other unclassified drug [3]	19,104	85,774.24	5,862	25,243.48	42,298	197,417.34	67,264	308,435.06
Total	293,893	1,165,436.56	70,851	274,344.83	293,079	1,321,898.87	657,822	2,761,680.26

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

[2] This category, which includes tranquilizers, represents about 35 percent (Illinois), 39 percent (New Jersey), and 36 percent (Ohio) of all amounts paid for drugs on behalf of nursing home patients.

[3] Includes drugs purchased under national formularies such as the National Formulary and U.S. Pharmacopeia; compounded prescriptions; specifically approved drugs; medical supplies (cotton, gauze, syringes) and other drugs which we could not classify.

APPENDIX II

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN JANUARY, APRIL, JULY, AND OCTOBER 1970 FOR CENTRAL NERVOUS SYSTEM DRUGS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES

	Illinois		New Jersey [1]		Ohio [2]		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
General anesthetics					1	$5.40	1	$5.40
Analgesics and antipyretics	23,726	$115,020.09	5,452	$23,606.68	20,632	103,452.08	49,810	242,078.85
Narcotic antagonists								
Anticonvulsants	2,151	5,554.54	742	1,922.54	3,840	8,122.90	6,733	15,599.98
Psychotherapeutic agents:								
Antidepressants	3,456	22,496.69	1,878	9,949.02	5,073	39,179.74	10,407	71,625.45
Tranquilizers	32,153	207,015.48	10,749	52,265.10	36,052	265,100.73	78,954	524,381.31
Other psychotherapeutic agents	186	1,367.54			4	8.10	190	1,375.64
Respiratory and cerebral stimulants	1,615	6,721.23	523	2,061.21	2,367	11,278.39	4,505	20,060.83
Sedatives and hypnotics	22,007	49,002.61	6,328	16,178.70	25,447	50,110.23	53,782	115,291.54
Total	85,294	407,178.18	25,672	105,983.25	93,416	477,257.57	204,382	990,419.00

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

APPENDIX III

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN JANUARY, APRIL, JULY, AND OCTOBER 1970 FOR ANALGESICS AND ANTIPYRETICS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES

Name	Illinois		New Jersey [1]		Ohio		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Acetaminophen	944	$2,687.44					944	$2,687.44
Amytal with aspirin					6	$15.26	6	15.26
Anacin					223	380.80	223	380.80
Analgesic balm	105	111.94					105	111.94
APC	291	314.98			316	336.52	607	651.50
APC with demerol			3	$7.09			3	7.09
Arthropan					5	25.34	5	25.34
A.S.A					951	1,973.85	951	1,973.85
A.S.A. and codeine			1	2.48			1	2.48

Name	Illinois		New Jersey [1]		Ohio		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Ascriptin with codeine			2	$2.85			2	$2.85
Aspirin	297	$356.15			457	$490.50	754	846.64
Aspirin, buffered	539	797.14					539	797.15
Aspirin, enteric coated	2,276	6,449.56					2,276	6,449.59
Bufferin					1,055	1,952.91	1,055	1,952.91
Butazolidin	636	3,802.40	268	1,105.04	208	1,039.34	1,112	5,946.78
Calurin					31	59.94	31	59.94
Codeine					42	126.53	42	126.53
Codeine with aspirin, phenacetin and caffeine	1,104	3,079.14					1,104	3,079.14
Codeine sulfate			25	89.69			25	89.69
Codeine phosphate	26	68.73			10	18.60	36	87.33
Colchicine	53	138.42	14	38.31	35	72.93	102	249.66
Crystoids	1	1.25					1	1.25
Daprisal			19	84.65	34	137.46	53	222.11
Darvon	1,790	9,087.60	859	3,459.45	2,012	12,084.15	4,661	24,631.20
Darvon compound	10,524	59,491.90	2,750	11,868.28	8,189	50,200.48	21,463	121,560.66
Darvon with A.S.A	341	2,125.43	27	103.35	252	1,430.38	620	3,659.16
Darvo-tran			11	62.38	61	309.75	72	372.13
Demerol	134	445.94	83	243.82	368	1,069.67	585	1,759.43
Dilaudid	9	19.44	5	19.45	7	34.16	21	73.05
Dolophine			5	11.73	15	16.53	20	28.26
Edrisal					2	7.73	2	7.73
Empirin with codeine			26	92.92	358	873.38	384	966.30
Emprazil					33	111.40	33	111.40
Excedrin					4	6.39	4	6.39
Fiorinal	236	709.36	103	321.37	355	1,034.37	694	2,065.11
Gelpirin					36	41.11	36	41.10
Indocin	2,126	16,636.09	629	3,613.12	1,722	14,340.31	4,477	34,589.52
Leritine	5	16.42			5	13.30	10	29.72
Levo-Dromoran			3	8.23	1	7.95	4	16.18
Liquiprin					1	1.00	1	1.00
Methadone hydrochloride	6	16.26					6	16.26
Morphine					74	180.26	74	180.26
Morphine sulfate	9	28.19	7	15.17			16	43.36
Morphine and atropine			2	6.14			2	6.14
Nebs					1	2.07	1	2.07
Numorphan					9	46.79	9	46.79
Opium and belladonna suppositories					1	2.66	1	2.66
Pabalate	411	1,585.14	3	14.05	222	1,070.07	636	2,669.26
Pabalate (sodium free)	844	3,579.33	19	63.43	166	671.77	1,029	4,314.53
PAC with gelsemium					1	1.00	1	1.00
Pantopon					1	4.80	1	4.80
Percobarb			1	3.06	1	3.71	2	6.77
Percodan	72	278.86	90	341.89	309	1,025.24	471	1,645.99
Phenacetin					1	1.90	1	1.90
Phenaphen			22	58.10	263	629.30	285	687.40
Ponstel			12	54.12	116	623.95	128	678.07
Procaine solution					11	11.00	11	11.00
Protamide					10	136.83	10	136.83
Pyrilgn					34	65.61	34	65.61
Sodium salicylate	637	1,620.97	1	2.85	442	771.29	1,080	2,395.11
Sterazolidin			30	124.41	48	276.81	78	401.22
Talwin	310	1,572.01	359	1,431.24	1,202	6,126.97	1,871	9,130.32
Tandearil			29	136.70	45	276.56	74	413.26
Tempra					9	32.73	9	32.73
Tybatran			2	8.20	37	337.07	39	345.27
Tylenol			7	22.52	719	2,182.52	726	2,205.04
Zactane					7	28.53	7	28.53
Zactirin			35	190.59	109	730.60	144	921.19
Total	23,726	115,020.09	5,452	23,606.68	20,632	103,452.08	49,810	242,078.85

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

APPENDIX IV

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN JANUARY, APRIL, JULY, AND OCTOBER 1970 FOR TRANQUILIZERS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES

Name	Illinois		New Jersey [1]		Ohio		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Atarax			402	$1,948.64	460	$3,312.19	862	$5,260.83
Bucladin					25	103.56	25	103.56
Combid	323	$1,910.00	124	596.81	453	3,929.12	900	6,435.93
Compazine	1,179	5,313.91	240	1,096.46	1,082	6,485.06	2,501	12,895.43
Deprol			44	228.54	140	2,203.12	284	2,431.66
Equagesic	189	1,423.81	103	484.61	444	3,811.40	736	5,719.82
Equanil			195	900.37	1,043	7,060.91	1,238	7,961.28
Eskatrol					47	220.59	47	220.59
Fluphenazine dihydrochloride	181	1,157.57					181	1,157.57
Haldol	258	2,178.01	214	1,341.74	515	5,463.06	987	8,982.81
Hydroxyzine	1,321	10,384.23					1,321	10,384.23
Librax	246	1,577.79	116	581.86	253	1,696.43	615	3,856.08
Librium	3,265	21,351.37	1,036	4,691.59	2,958	20,823.57	7,259	46,866.53
Mellaril	6,854	53,526.51	3,078	16,234.04	8,045	69,121.48	17,977	138,882.03
Menrium			5	16.98	9	55.47	14	72.45
Meprobamate	1,738	7,346.58	292	893.04	494	2,130.01	2,524	10,369.63
Meprospan			10	57.90	135	895.83	145	953.73
Meprotab					2	37.19	2	37.19
Miltown			109	454.22	453	2,955.86	562	3,410.08
Navane			70	388.85	252	2,423.12	322	2,811.97
Permitil			2	7.51	44	228.49	46	236.00
Proketazine			8	24.79	211	1,364.49	219	1,389.28
Prolixin			48	196.63	148	970.25	196	1,166.88
Prozine			5	44.45	104	664.25	109	708.70
Serentil			6	23.80			6	23.80

Footnote at end of table.

APPENDIX IV—Continued

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO—Continued

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN JANUARY, APRIL, JULY, AND OCTOBER 1970 FOR TRANQUILIZERS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES—Continued

Name	Illinois		New Jersey [1]		Ohio		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Serax	227	1,542.32	95	442.36	397	2,525.87	719	4,510.55
Softran					7	31.99	7	31.98
Solacen					53	148.48	53	148.49
Sparine	2,164	$15,006.00	379	$1,948.00	1,523	$10,611.27	4,066	$27,565.27
Stelazine	1,100	8,059.72	279	1,589.59	1,622	14,065.95	3,001	23,715.26
Taractan			80	357.33	405	3,045.30	485	3,402.63
Thorazine	10,146	55,924.11	2,656	11,949.55	10,324	64,428.65	23,126	132,302.31
Tindal					48	252.10	48	252.10
Tranco-Gesic			17	117.68	13	84.87	30	202.55
Trancopal	19	115.28	1	4.73	13	100.00	33	220.01
Trilafon	895	6,038.73	33	156.83	688	5,677.32	1,616	11,872.88
Ultran			2	4.80	1	5.37	3	10.17
Valium	1,901	13,270.28	922	4,332.65	2,485	19,214.31	5,308	36,817.24
Vesprin	147	889.26	1	5.50	106	800.99	254	1,695.75
Vistaril			177	1,143.25	950	8,152.81	1,127	9,296.06
Total	32,153	207,015.48	10,749	52,265.10	35,952	265,100.73	78,954	524,381.31

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

APPENDIX V

MEDICAL DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN JANUARY, APRIL, JULY, AND OCTOBER 1970 FOR SEDATIVES AND HYPNOTICS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES

Name	Illinois		New Jersey [1]		Ohio		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Alurate elixer			2	$5.97	23	$41.33	25	$47.30
Algoson					3	11.49	3	11.49
Amesec			16	55.09	84	246.63	100	301.72
Amobarbital	277	$545.53					277	545.53
Amobarbital sodium	325	711.99					325	711.99
Amytal			8	18.32	69	81.24	77	99.56
Amytal sodium			14	34.25	109	168.55	123	202.80
Beta-chlor			14	44.20	324	1,109.60	338	1,153.80
Butabarbital					55	76.75	55	76.75
Butabarbital sodium	1,306	3,157.47					1,306	3,157.47
Butibel			30	87.19	132	312.24	162	399.43
Butibelzyme			5	32.45	49	359.94	54	392.39
Buticaps					33	95.86	33	95.86
Butigetic					4	14.57	4	14.57
Butisol			168	440.31	1,123	2,695.97	1,291	3,136.28
Carbrital			67	166.69	550	907.57	617	1,074.26
Chloral hydrate	6,141	15,294.32	675	1,590.42	1,448	2,579.37	8,264	19,464.10
Dalmane			25	77.36			25	77.36
Dimethacol					1	9.00	1	9.00
Doriden	2,964	8,419.60	975	2,915.07	3,863	9,794.08	7,802	21,128.75
Eskabarb			14	44.44	17	41.71	31	86.15
Ethobral					11	19.36	11	19.36
Ipral					2	3.02	2	3.02
Ipral calcium			3	7.55			3	7.55
Levoprome					9	65.25	9	65.25
Lotusate			3	9.00	9	15.90	12	24.90
Medomin					3	8.19	3	8.19
Nebralin			1	3.35	30	87.57	31	90.92
Nembutal			653	1,524.52	1,621	2,219.19	2,274	3,743.71
Noctec			899	2,466.13	5,234	11,489.12	6,133	13,955.25
Noludar			344	1,087.72	1,123	3,187.30	1,467	4,275.02
Paraldehyde					7	22.45	7	22.45
Parest			5	17.13	57	120.11	62	137.24
Pentobarbital					55	63.51	55	63.51
Pentobarbital sodium	2,187	3,643.83					2,187	3,643.83
Phenobarbital	4,043	6,579.52	1,062	2,129.89	4,558	4,639.36	9,663	13,348.77
Phenobarbital with belladonna			8	17.65			8	17.65
Placidyl	1,932	5,808.53	251	715.83	1,416	3,655.68	3,599	10,180.04
Quaalude			147	463.95	669	1,692.45	816	2,156.40
Quadra-bar					2	2.00	2	2.00
Secobarbital			34	61.09	91	91.30	125	152.39
Secobarbital sodium	2,832	4,841.83					2,832	4,841.83
Seconal					1,530	1,913.14	1,530	1,913.14
Seconal sodium			631	1,468.22			631	1,468.22
Sominex					12	21.70	12	21.70
Somnafac					2	6.62	2	6.62
Somnos			5	15.40	169	442.36	174	457.76
Sopor					174	527.34	174	527.34
Stental extentabs			1	5.00			1	5.00
Triple bromides					1	1.00	1	1.00
Tuinal			262	659.75	736	1,178.03	998	1,837.78
Valmid			6	14.76	39	92.38	45	107.14
Total	22,007	49,002.61	6,328	16,178.70	25,447	50,110.23	53,782	115,291.54

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

APPENDIX VI

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN OCTOBER 1970 FOR DRUGS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES COMPARED TO DRUGS PROVIDED TO ALL RECIPIENTS STATEWIDE

	Illinois prescriptions						New Jersey, prescriptions statewide	
	Statewide		Nursing homes		Percent of nursing homes to statewide			
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Antihistamine drugs	27,830	$81,404.68	1,693	$5,700.90	6	7	21,973	$65,508.34
Anti-Infective agents	69,214	343,191.78	5,359	27,471.46	8	8	47,334	218,646.55
Antineoplastic agents	45	369.07	2	11.33	4	3	73	408.83
Autonomic drugs	18,470	71,825.36	3,295	13,407.21	18	19	9,204	31,615.45
Blood derivatives							9	36.51
Blood formation and coagulation	6,598	15,740.92	1,287	2,902.24	20	18	3,137	9,744.85
Cardiovascular drugs	33,717	118,541.97	7,842	24,503.65	23	21	15,507	57,574.31
Central nervous system drugs	144,809	652,065.07	25,202	119,722.56	17	18	64,672	275,799.98
Diagnostic agents	1,381	2,075.13	47	77.06	3	4	288	619.61
Electrolytic, caloric, and water balance	31,355	131,243.10	7,562	29,750.46	24	23	11,816	47,805.54
Enzymes	1,328	9,102.98	58	433.75	4	5	599	3,203.55
Expectorants and cough preparations	14,362	38,744.77	885	2,070.60	6	5	7,730	22,050.06
Eye, ear, nose, and throat preparations	8,367	17,725.23	305	600.37	4	3	8,372	29,872.42
Gastrointestinal drugs	35,753	109,267.99	9,835	32,518.42	28	30	7,252	22,680.12
Gold compounds								
Heavy metal antagonists								
Hormones and synthetic substitutes	38,371	178,644.60	4,096	18,333.18	11	10	21,165	88,398.35
Local anesthetics								
Oxytocics	230	494.14					219	557.92
Radioactive agents								
Serums, toxoids, and vaccines	6,513	20,056.59	1,211	3,670.19	19	18	163	798.36
Skin and mucous membrane preparations	21,258	72,787.60	2,504	8,980.49	12	12	6,527	26,720.68
Spasmolytic agents	7,545	26,637.41	1,109	3,296.76	15	12	5,409	21,387.43
Vitamins	38,310	113,582.15	9,397	26,715.97	25	24	15,264	59,175.11
Unclassified therapeutic agents	508	2,400.32	29	165.65	6	7	431	2,046.25
Other unclassified drugs [2]	33,956	140,032,46	7,346	32,475.24	22	23	22,715	88,322.87
Total	539,920	2,145,933.32	89,064	352,807.49	16	16	269,859	1,72,973.09

	New Jersey prescriptions [1]				Ohio prescriptions					
	Nursing homes		Percent of nursing homes to statewide		Statewide		Nursing homes		Percent of nursing homes to statewide	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Antihistamine drugs	813	$2,536.11	4	4	12,215	$35,685.20	1,659	$5,535.69	14	16
Anti-Infective agents	1,868	8,397.41	4	4	26,064	152,623.95	3,876	26,486.53	15	17
Antineoplastic agents	9	30.43	12	7	68	572.34	9	44.75	13	8
Autonomic drugs	971	3,137.56	11	10	11,444	43,979.01	2,828	10,768.82	25	24
Blood derivatives										
Blood formation and coagulation	399	1,286.45	13	13	3,077	10,123.44	690	1,587.70	22	16
Cardiovascular drugs	3,797	11,818.48	24	21	24,458	94,349.91	6,115	19,491.53	25	21
Central nervous system drugs	10,281	42,185.37	16	15	97,272	471,203.40	23,981	117,836.55	25	25
Diagnostic agents					910	2,283.50	352	1,000.54	39	44
Electrolytic, caloric, and water balance	2,629	9,240.49	22	19	18,156	77,294.72	3,610	13,843.39	20	18
Enzymes	30	165.12	5	5	545	3,659.79	144	1,062.90	26	29
Expectorants and cough preparations	182	626.25	2	3	4,994	11,601.20	614	1,494.71	12	13
Eye, ear, nose, and throat preparations	513	1,934.22	6	6	6,654	22,263.21	1,131	3,335.27	17	19
Gastrointestinal drugs	701	2,601.17	10	11	19,874	69,596.65	7,713	27,244.42	39	35
Gold compounds					8	17.90				
Heavy metal antagonists					2	33.60				
Hormones and synthetic substitutes	1,615	6,318.83	8	7	19,800	93,629.00	4,160	19,856.04	21	21
Local anesthetics					93	120.78	2	2.74	2	2
Oxytocics					1	15.20				
Radioactive agents					65	298.73	2	10.71	3	4
Serums, toxoids, and vaccines	45	186.21	28	23						
Skin and mucous membrane preparations	376	1,813.97	6	7	5,936	25,458.45	1,033	5,333.48	17	21
Spasmolytic agents	912	4,634.36	17	22	7,223	42,877.68	2,200	15,143.02	30	35
Vitamins	2,153	5,867.25	14	10	7,027	21,369.06	2,923	9,224.07	42	43
Unclassified therapeutic agents	83	455.12	19	22	334	2,440.37	67	633.56	20	26
Other unclassified drugs [2]	2,326	10,394.11	10	12	45,429	191,554.46	10,764	43,524.14	24	23
Total	29,703	113,628.91	11	11	311,649	1,373,051.55	73,873	323,460.56	24	24

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

[2] Includes drugs purchased under national formularies such as the National Formulary and U.S. Pharmacopeia; compounded prescriptions; specifically approved drugs; medical supplies (cotton gauze, syringes) and other drugs which we could not classify.

APPENDIX VII

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN OCTOBER 1970 FOR CENTRAL NERVOUS SYSTEM DRUGS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES COMPARED TO SIMILAR DRUGS PROVIDED TO ALL RECIPIENTS STATEWIDE

	Illinois prescriptions						New Jersey prescriptions [1]			
	Statewide		Nursing homes		Percent of nursing homes to statewide		Statewide		Nursing homes	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
General anesthetics										
Analgesics and antipyretics	56,573	$227,899.34	6,939	$33,650.54	12	15	22,258	$83,750.41	2,074	$9,068.47
Narcotic antagonists										
Anticonvulsants	4,878	14,001.00	614	1,612.90	13	12	2,649	8,421.93	256	687.59
Psychotherapeutic agents:										
Antidepressants	4,546	30,509.89	1,125	7,613.32	25	25	4,145	25,500.23	747	3,855.31
Tranquilizers	49,378	310,415.89	9,464	59,562.87	19	19	24,657	126,998.20	4,512	21,346.09
Other psychotherapeutic agents	331	2,157.62	47	366.50	14	17	13	39.97		
Respiratory and cerebral stimulants	3,977	13,426.68	512	2,154.34	13	16	1,234	5,219.96	196	804.22
Sedatives and hypnotics	25,126	53,654.65	6,501	14,762.09	26	28	9,716	25,869.28	2,496	6,423.69
Total	144,809	652,065.07	25,202	119,716.56	17	18	64,672	275,799.98	10,281	41,185.37

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under medicaid. The number of prescriptions and amount, however, were insignificant.

APPENDIX VII—Continued

MEDICAID DRUG PROGRAM—ILLINOIS, NEW JERSEY, AND OHIO—Continued

NUMBER OF PRESCRIPTIONS AND AMOUNT PAID IN OCTOBER 1970 FOR CENTRAL NERVOUS SYSTEM DRUGS FOR RECIPIENTS OF OLD-AGE ASSISTANCE IN NURSING HOMES COMPARED TO SIMILAR DRUGS PROVIDED TO ALL RECIPIENTS STATEWIDE

	New Jersey prescriptions		Ohio prescriptions					
	Percent of nursing homes to statewide		Statewide		Nursing homes		Percent of nursing homes to statewide	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
General anesthetics			1	$5.40	1	$5.40	100	100
Analgesic and antipyretics	9	11	30,346	136,073.05	5,324	26,125.87	18	19
Narcotics antagonists			1	2.10				
Anticonvulsants	10	8	3,254	8,064.38	981	2,159.47	30	27
Psychotherapeutic agents:								
Antidepressants	18	15	4,899	40,530.20	1,361	10,510.23	28	26
Tranquilizers	18	17	33,202	222,922.89	9,413	63,973.56	28	29
Other psychotherapeutic agents			2	5.76				
Respiratory and cerebral stimulants	16	15	6,003	26,908.26	581	2,706.02	10	10
Sedatives and hypnotics	26	25	19,564	36,691.36	6,320	12,356.00	32	34
Total	16	15	97,272	471,203.40	23,981	117,836.55	25	25

[1] Includes drugs purchased for Cuban refugees and the aged which were not paid for under Medicaid. The number of prescriptions and amounts, however, were insignificant.

APPENDIX VIII

SELECTED STATISTICAL INFORMATION ON ILLINOIS, NEW JERSEY, AND OHIO MEDICAID AND INTERMEDIATE CARE PROGRAMS FOR CALENDAR YEAR 1970

	Illinois	New Jersey	Ohio
Medicaid program:			
Started	[1]	[2]	[3]
1970 expenditures:			
Amount (millions)	$200.6	$130.9	$120.0
Federal share (millions)	$100.3	$62.7	$62.9
Drugs:			
Percent of total medicaid expenditures for drugs	11	8	14
1970 expenditures:			
Amount (millions)	$22.2	$10.4	$16.9
Federal share (millions)	$11.1	$5.2	$8.9
Skilled nursing care:			
Percent of total medicaid expenditures for skilled nursing care	3	33	24
1970 expenditures:			
Amount (millions)	$5.3	$43.5	$28.6
Federal share (millions)	$2.7	$20.7	$15.0
Patient days of care paid for	589,349	2,375,411	2,810,826
Intermediate care: [4]			
1970 expenditures:			
Amount (millions)	$62.6	[5]	$27.7
Federal share (millions)	$31.3		$14.5
Patient days of care paid for	7,773,530		3,475,479

[1] January 1966.
[2] January 1970.
[3] July 1966.
[4] Provided to eligible persons not in need of skilled nursing care but in need of more intensive care than that provided in residential facilities.
[5] New Jersey did not participate in the intermediate-care program in calendar year 1970.

APPENDIX IX

GENERAL DEFINITION OF DRUG CATEGORIES

Antihistamine Drugs—Products used to alleviate the symptoms of hayfever, allergy, and the common cold.

Anti-Infective Agents—Products used in the treatment of bacterial and viral diseases.

Antineoplastic Agents—Products used in the treatment of cancer.

Autonomic Drugs—Products whose primary effect is on the nervous system and includes drugs used to treat abnormalities in smooth muscle tone and certain abnormal eye conditions.

Blood Derivatives—Products used in blood replacement.

Blood Formation and Coagulation—Products used to enhance formation of blood cell products and components, including the treatment of anemia and the treatment and prevention of blood clotting.

Cardiovascular Drugs—Products used to treat abnormal blood pressure, heart congestion, and cardiac insufficiency.

Central Nervous System Drugs—Products whose primary effect is on the brain and are used to excite, sedate, tranquilize, or relieve pain.

Diagnostic Agents—Products used to diagnose diseases and in laboratory analysis.

Electrolytic, Caloric, and Water Balance—Products used to restore water balance of body fluids. Also, products are used to help eliminate abnormal water retention in tissues.

Enzymes—Products derived from naturally occurring substances and generally used to expedite or retard a natural body process. Frequently, these products are also used to treat undesirable blood coagulation.

Unclassified Therapeutic Agents—Products of naturally occurring substances which are not classified elsewhere.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT OF 1970

The PRESIDING OFFICER (Mr. CHILES). Under the previous order, the Chair now lays before the Senate the unfinished business, H.R. 11417, which the clerk will state.

The legislative clerk read as follows:

H.R. 11417, to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation for the purpose of purchasing railroad equipment, and for other purposes, reported with amendments.

The Senate resumed the consideration of the bill.

Mr. HARTKE. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 10 minutes.

Mr. HARTKE. Mr. President, on October 30, 1970, the Rail Passenger Service Act of 1970 became law. It authorized the establishment of the National Rail Passenger Corporation, now known as Amtrak, as a quasi-public corporation to provide intercity rail passenger service on important routes throughout the country, thereby relieving the railroads of the sole financial responsibility for operating the trains.

Amtrak was required to commence service on May 1, 1971. As that date approached, it appeared to many people both in and out of the Congress that Amtrak was not ready to assume its responsibilities. Among other things, its chief executive officer had just been appointed. The committee gave serious consideration to postponing the date for Amtrak's startup. However, it was decided that a delay would create more problems than it would solve, and no action was taken.

Amtrak's initial funding was $40 million in direct Federal grants, $100 million in Federal loan guarantees, and an estimated $197 million in monthly payments from the railroads, spread over a 36-month period. In April 1971 there was sentiment among several members of the committee, including myself, that this funding was insufficient to enable Amtrak to provide modern, attractive trains and thus make a meaningful effort to establish the appropriate role and level of rail pssenger service in a balanced transportation system. However, the committee took no action at that time to increase the funding in view of the representation by both Amtrak and the Department of Transportation that no more money would be needed before July 1973.

Less than 6 months later, Amtrak and the Department admitted that the initial funding was not enough to carry Amtrak through July 1973. The Secretary of Transportation in October 1971 sent to the Congress draft legislation requesting $170 million in additional di-

rect grants which was introduced by the chairman—by request—as S. 2760.

On October 26, 1971, the Subcommittee on Surface Transportation heard witnesses from the Congress, Amtrak, the Department of Transportation, rail passenger users, and motorbus operators. Except for the bus operators, the witnesses generally supported the funding request. But the testimony indicated that the quality and efficiency of Amtrak operations up to that time were considerably less than what the Congress and the public had expected when the program was first enacted. This situation was corroborated by statistical data on on-time performance and on financial results of the various Amtrak routes, which were supplied to the committee by Amtrak.

Subsequently Amtrak submitted amendments to effect technical changes in the loan guarantee provisions of the act which its financial advisers deemed essential to remove certain limitations so as to enable Amtrak to secure loans in the amount contemplated by the act.

On March 15, 1972, the House of Representatives passed H.R. 11417, authorizing the administration's requested $170 million additional funding and amending the act in several other respects.

After considerable discussion the Senate Commerce Committee has now completed its consideration of the Amtrak legislation. To simplify the procedure the committee has adopted the House number, H.R. 11417, but the text of the Senate amendments differs in several respects from the House-passed bill.

The committee report at page 7 summarizes the Senate Commerce Committee bill. At page 14 of the report there is a summary of the differences between the Senate and House bills.

I will describe the Senate bill in a very few words. First, the committee approved a flat limitation on officers' salaries so that they may not exceed that of Cabinet officers which is currently $60,000.

Second, the committee in section 2 would establish as policy Amtrak's obligation to assume direct controls of operations as soon as practicable. Only in this way can Amtrak have the authority it needs to impose better quality control and better cost controls.

Third, the committee in sections 3 and 4 insures that the public and the Congress will have access to information about Amtrak. Section 10 provides for General Accounting Office authority to examine railroad records as part of any audit of Amtrak. This information could help control costs.

Fourth, second Amtrak has not seemed particularly aggressive in its search for additional moneys from conducting business, the legislation requires Amtrak to undertake a study, to be completed by November 1, of the potential revenues from carrying more mail and express.

Fifth, the ICC would be required to decide questions about Amtrak access to track expeditiously so as to avoid the possibility that dilatory action by the ICC might provide a serious burden to Amtrak operations.

Sixth, the bill contains in section 7 an amendment that clarifies the responsibilities of railroads and Amtrak with respect to employees displaced by Amtrak readjustments or discontinuance of service.

Seventh, the bill restores pass privileges to those employees, retirees, and dependents who had such rights as of April 30, 1971—the day before Amtrak took over control of rail passenger services. The railroads would be required to reimburse the Corporation for its costs, which seems only proper since it is, after all, the railroad's own policies that would be reinstituted.

Eighth, the committee approved Federal grants to Amtrak of $270 million, $100 million above the Office of Management and Budget approved request; $2 million annually for certain international routes, and $250 million for loan guarantees.

The committee, in short, has strongly supported continuation of the Amtrak concept, but has tried to make clear to Amtrak its displeasure over Amtrak operations to date.

I should like to comment in this connection on some recent articles which have appeared in the press to the effect that Amtrak is an experiment that has failed. To make that kind of statement presupposes that there has indeed been an experiment that was conducted with the utmost care and that all of the information thus far indicates that there is no hope for intercity rail passenger service playing a significant role in the Nation's total transportation picture. First, I think we must establish criteria by which success should be measured. The Congress in approving the Amtrak legislation did not establish profitability as the sole measure of success. While we certainly hoped that Amtrak, under aggressive, innovative management, would at some point in its history make a profit, I do not believe that anyone who supported this measure in Congress felt that as a primary objective we were forming an enterprise for commercial gain. Certainly we did wish to encourage this enterprise to strive for profitability because, with that kind of effort, it would more likely be efficient. But there are few, if any, transportation enterprises which could stand on their own today, unassisted in some way by the Federal Government, and obviously Amtrak is not an exception. Government interest in transportation should not be to measure profitability as a goal in itself. Rather, we should be striving to insure that transportation services are available for those citizens who need the service when they need it. This may or may not mean that a particular transportation service makes money.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARTKE. Mr. President, I yield myself an additional 5 minutes.

Second, I do not feel, and I think my views are supported by many, if not the vast majority in Congress, that Amtrak has really made the kind of effort that we had all hoped it would make to bring about a vast improvement in rail passenger service. We can all point to countless managerial snafus, in Amtrak's administering to the needs of the traveling public which give Congress plenty of evidence that something has been lacking in the way of an all out effort on the part of Amtrak. Trains today are still slower than they were several years ago—most schedules are slower than in 1941. I have found on personal experience that trying to call an Amtrak reservations desk can be an excruciating experience—one time waiting for 22 minutes just to get a phone answered. On-time performance has lagged from mediocre to wretched. Outside of the Northeast Corridor there is very little evidence that Amtrak has attempted to seriously promote or advertise rail passenger service in the United States. Of course one could argue that if the product is not good maybe it should not be advertised.

Amtrak managerial attitude is exemplified by a quite recent event. One of the more vexing problems confronting those who wish to travel on passenger trains, as almost everyone knows who has ever tried to ride a train, is the extreme difficulty one encounters in trying to obtain reservations or even to obtain information about train schedules. The Interstate Commerce Commission has proposed some regulations governing the adequacy of Amtrak's service—it is worth noting that the ICC never showed such zeal on behalf of the rail passenger when the railroads were solely responsible for passenger service. In the Commission's proposed rules there is a proposal that reservations and information services be readily available at any time of the day or night to customers anywhere in the United States. The Commission in its proposed regulations further noted "a nationwide toll-free telephone service will meet this requirement." Amtrak has opposed this regulation saying among other things it is far from persuasive that such an elaborate system is even a desirable near term goal in terms of service to the public. Amtrak at a later point states:

> If Amtrak does not implement a nationwide computer reservations and communications system, the Commission is assured that this is because in Amtrak's best, informed judgment the future of intercity rail passenger service will better be served by some other application of available resources. Amtrak's energies and resources cannot be diverted to any other purpose since that is the sole purpose for which it exists.
>
> There is no basis at this time for concluding that Amtrak's efforts to date to develop and improve the rail passenger reservations system have been insufficient or, indeed, that the present system with the improvements Amtrak is introducing is inadequate for the present needs of intercity rail passenger service. On May 1, 1971, Amtrak acquired 13 independent reservations systems from various railroads operating under somewhat diverse principles and procedures, but most performing reasonably well the reservations functions of those railroads."

The disturbing point about Amtrak's comment is not that a new nationwide system might be prohibitive in terms of cost. That may be true. What is disturbing is that this rail passenger reservations system, if indeed it can be called a system, which Amtrak took over in May 1970 is categorized by Amtrak as performing reasonably well and Amtrak

is not convinced that it is inadequate for present needs. This calls into serious question whether we have obtained the change in managerial attitudes which we had all hoped would be achieved by enactment of the Rail Passenger Service Act of 1970.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HARTKE. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. HARTKE. As of now, Amtrak is falling far short of what we had hoped and expected of it. The quality of service has improved very little since Amtrak took over last May. We have yet to see any improvements and no new equipment has even been ordered.

Under the system it is hardly surprising that ridership outside the Northeast has not increased.

Despite all this, I think the committee is generally in accord in believing that with the proper effort by Amtrak management, with sufficient funds, and with more interest and support from the White House this experiment could still show that there is a positive need for continuing Amtrak in operation. But attitudes in Amtrak and in the administration must change or Amtrak's chances of being successful are minimal.

I am convinced that we need a more positive attitude on the part of the administration and I am equally convinced that there is unfortunately very little that Congress can do to promote that attitude. However, we must do our best. The legislation which the Senate Commerce Committee has approved does not meet all of my objectives but it does represent a very sound piece of legislation which if passed and effectively implement by the administration will produce the kind of rail passenger system which we all envisaged when Amtrak was enacted.

The PRESIDING OFFICER. Who yields time?

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

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his request temporarily?

Mr. COTTON. Yes.

Mr. ROBERT C. BYRD. Will the Senator yield to me for 1 minute?

Mr. HARTKE. I yield to the Senator from West Virginia.

PRIVILEGE OF THE FLOOR

Mr. ROBERT C. BYRD. Mr. President, at the request of the Senator from Arkansas (Mr. FULBRIGHT), I ask unanimous consent that during consideration of his amendment to the Amtrak bill he be permitted to have two of his assistants on the floor of the Senate; namely, Mr. David Capes and Mr. Hoyt Purvis.

The PRESIDING OFFICER. Without objection, it is so ordered.

RULE OF GERMANENESS APPLICABLE FOR 6 HOURS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Pastore rule of germaneness run for 6 hours today instead of the usual 3 hours.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. COTTON. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. COTTON. Mr. President, the purpose of the bill, H.R. 11417, is to amend the Rail Passenger Service Act of 1970 so as to provide further financial assistance to the National Railroad Passenger Corporation—Amtrak.

Fundamentally, H.R. 11417, as reported by our Committee on Commerce is a good bill. More important, it contains an appropriation authorization provision which is desperately needed by Amtrak if it is to meet the obligations which the Congress mandated it to carry out.

Quite frankly, Mr. President, I supported the Rail Passenger Service Act of 1970 in the last Congress, but not without some personal reservations as to its effectiveness. These reservations persist today, and I would be less than honest if I did not so state. As a matter of fact, it is my deep personal belief that the greatest potential for the revitalization and effective utilization of the passenger train lies in the high density urban corridors, such as that located here in the Northeast and probably that on the Pacific coast. And, it is in such corridors that the major effort in terms of financial investment should be made.

H.R. 11417 does not limit the effort of Amtrak to such high density urban corridors. Rather, it continues the basic system established by the Secretary of Transportation which does include some long-haul routes. Moreover, the bill provides for international rail passenger service between the United States and Canada and Mexico. But, all of these routes will be subject to reexamination on July 1, 1973, at which time the basic system may be realined based upon the experience gained during this test period mandated by the Congress. I personally feel strongly that such a realinement probably will be necessary if Amtrak is to succeed in its mission to revitalize rail passenger service.

As one of my constituents recently noted in a letter to me:

> I also have been distressed at the Amtrak program or whatever it is now called. The program is going at the problem backwards and will be a bottomless pit of a money drain as now conceived. The scheduling and routes should have been based completely and solely on the short haul, from major city to major city, not on the long haul. The only people who will travel coast-to-coast or more than 250 or 300 miles by train are railroad buffs, no matter how many pretty girls in fancy costumes.
>
> The market is in rides from Washington to New York, Houston to Dallas, St. Louis to Memphis, and so on all over the Nation. True, the long haul ties these cities together in a way, but the scheduling is not oriented toward these markets.

Nevertheless, notwithstanding this personal reservation, I do support H.R. 11417, as reported by our Committee on Commerce, to enable Amtrak to complete its period of experimentation originally mandated by the Congress and embodied in the Rail Passenger Service Act of 1970. I therefore urge favorable consideration of the bill, H.R. 11417.

Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, perhaps the most important amendment to be considered in connection with this bill will be that offered by the distinguished Senator from Rhode Island (Mr. PELL). His amendment has a very worthy objective. But, I believe that in the opinion of most members of the Committee on Commerce, it might conflict with mass transit and might render the Amtrak trial period ineffective.

It is vitally important that both sides of that amendment be presented and that sufficient time be left on the bill so that we can adequately deal with it.

I merely wanted to make that observation for the Senate.

The distinguished Senator from Maryland (Mr. BEALL) is the ranking minority member of the Subcommittee on Surface Transportation. I wish to turn over to him the control of the time for this side of the aisle.

Mr. BEALL. I thank the distinguished Senator. I yield myself as much time as I might consume.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. BEALL. Mr. President, I wish to express my support for the passage of the bill under consideration, H.R. 11417 as amended by our Committee on Commerce. This bill would amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation—Amtrak—for the purpose of purchasing railroad equipment, and for other purposes.

The origin of this bill was the letter of the Secretary of Transportation in October 1971 submitting to the Congress draft legislation requesting an additional appropriation authorization to Amtrak of $170 million which was introduced by the distinguished chairman of our Committee on Commerce (Mr. MAGNUSON) by request as S. 2760. The Subcommittee on Surface Transportation, on which I am the ranking Republican member, held hearings on the bill, S. 2760 on October 26, 1971. And, in November of that year that subcommittee voted to the full committee for its consideration a draft of the bill which included several additional substantive amendments beyond the original request for additional appropriation authorization based upon the hearings held on the measure.

H.R. 11417 is the House companion measure which passed that body on March 15 of this year. It, too, contained several substantive amendments to the Rail Passenger Service Act of 1970 in addition to the added appropriation authorization requested by the Secretary of Transportation.

H.R. 11417, as reported by our Committee on Commerce, represents a substitute text for the House-passed version and an amended title to the bill to more accurately reflect the substance of that amended text. In the truest sense of the legislative process, Mr. President. H.R. 11417 represents a compromise. On the one hand it no doubt does not contain

as much as some Members might wish; and on the other, more than others would like to see in such a bill. However, on balance, it is fundamentally a good bill and I believe we should not lose sight of the fact that Amtrak has great need for the additional appropriation authorization if it is to continue to function. Therefore, timely action on the bill, H.R. 11417, is imperative.

Mr. President, at this point I believe it would be appropriate for the Members of this body to keep in mind the origin of the Rail Passenger Service Act of 1970. In the 91st Congress, second session, this body passed on a record vote of 78 to 3 the bill, S. 3706, with an amendment—No. 608 as amended—in the nature of a substitute adopted during the debate in this Chamber on that measure. Passage of this earlier bill, S. 3706, was on May 6, 1970.

Then on October 14, 1970, the House of Representatives passed the bill, H.R. 17849, as amended by its Committee on Interstate and Foreign Commerce. On the same day, October 14, the Senate passed the same bill, H.R. 17849 without amendment and at that time, the distinguished chairman of our Commerce Commitee (Mr. MAGNUSON) had printed in the RECORD a statement on this bill which noted in part the following:

> Except for some relatively minor amendments this bill [H.R. 17849] is essentially the same as legislation, S. 3706, approved by the Senate on May 6 of this year. . . .

Subsequently on October 30, 1970, H.R. 17849 was approved as Public Law 91-518—the Rail Passenger Service Act of 1970.

As a result, Mr. President, the principal document available providing legislative history on the Rail Passenger Service Act of 1970 is the report of the House Committee on Interstate and Foreign Commerce accompanying H.R. 17849 (Report No. 91-1580). In view of this, I believe it might be helpful to recall some of the language from that House report. As for the purpose of the Rail Passenger Service Act of 1970 the House report noted in part the following:

> The basic purpose of this bill is to prevent the complete abandonment of intercity rail passenger service and to preserve a minimum of such service along specific corridors. * * * The corporation would be expected to revitalize rail passenger service in the expectation that the rendering of such service along certain corridors can be made a profitable commercial undertaking, particularly with new equipment or advanced vehicles.

As for the background and need for the Act, the House report noted in part:

> This nation is faced with the immediate threat of complete curtailment of rail passenger service. . . .
>
> * * * * *
>
> In other words, a rational reduction of present service will be required in order to save any passenger service. The remaining service must be organized into a cohesive system requiring a management which takes into consideration the needs and abilities of the entire system which will be a replacement for the diverse managements of the present unintegrated and in many instances, unwanted (by management) passenger service.
>
> * * * * *
>
> In short, this is a constructive attempt to salvage an essential system of intercity rail passenger service to meet the needs of the public, our National Defense, and the postal service.

The act required that the Secretary of Transportation, after consultation with the Interstate Commerce Commission and railroad and labor representatives establish a basic national rail passenger system. Amtrak was then required to provide service between end points in the basic system for 2 years and 2 months. After that period of time, Amtrak was to have the flexibility to adjust the amount of service provided. In the words of Secretary of Transportation Volpe in his letter of December 10, 1971, to the chairman of our Subcommittee on Transportation (Mr. HARTKE):

> In essence, the required period of service to July 1, 1973 was established to provide the Corporation a period of time in which to conduct a *nation-wide test* to determine the appropriate role and level of rail passenger service in the development of a balanced transportation system. (Emphasis supplied.)

Thus, Mr. President, I think we should be ever mindful, first of the fact that Amtrak did come into being at a time when we were faced with the immediate threat of complete curtailment of rail passenger service and, second, that it does represent a "nationwide test." As the House Interstate and Foreign Commerce Committee indicated in its report:

> We fully recognize that Amtrak was to a substantial degree an experimental effort to determine the appropriate role and level of rail passenger service in the development of a balanced national transportation system. * * * Amtrak was required to resume service on May 1, 1971. This goal was met, but apparently not without considerable birth pains. (See House Report No. 92-905 accompanying H.R. 11417 at page 7.)

H.R. 11417 as reported by our Committee on Commerce, Mr. President, represents in my opinion a realistic approach to meeting some of the needs of Amtrak enabling it to satisfactorily complete the test period mandated by the Congress to be carried out by Amtrak. For the convenience of Members of the Senate I would invite their attention to pages 7 and 8 of the committee report accompanying H.R. 11417 which sets forth in a succinct fashion a summary of the provisions of the reported bill and to pages 14 and 15 which summarizes the differences between the House passed version and that reported by our Committee on Commerce.

Mr. President, in light of the statement made by the distinguished chairman of our Subcommittee on Surface Transportation (Mr. HARTKE) I see little point in making a second recitation of the provisions of this bill. Suffice it to say that I personally believe that it represents the best possible bill which could be worked out at this time. More important, it is a bill providing funding which is desperatly needed by Amtrak if it is to continue to meet its obligations in the weeks and months ahead.

In conclusion, Mr. President, I respectfully urge the support of my colleagues in the Senate for the bill, H.R. 11417, as reported by our Committee on Commerce and urge its passage.

The PRESIDING OFFICER. Who yields time?

Mr. BEALL. Mr. President, I yield 5 minutes to the Senator from Connecticut (Mr. WEICKER).

Mr. WEICKER. Mr. President, I rise in support of the Amtrak legislation, and particularly, at the outset, to commend the Senator from Indiana, and indeed the entire Commerce Committee, for being the first to stand up with a forward look at what is required to produce a balanced transportation system in these United States.

We have had a great deal of negative talk, some of it generated by myself and others, against the way funds are allocated in the United States for the various forms of transportation. Specifically, I and others have criticized the Highway Trust Fund as being a fund which puts too much emphasis on highways as a resolution to our transportation problem.

The Senator from Indiana and the members of the Commerce Committee have come forth with a positive response by making a meaningful commitment in the area of rail transportation. The bill before us calls for some $420 million in possible funding—$270 million in cash and $150 million in loan guarantees—$420 million compared to some $10 billion that will be spent on highways and $4 billion for airports.

I also want to commend the Senator from Indiana, because the forward look which he and the members of his committee have given to rail transportation is not something new. It was almost a year ago that he and other Senators pointed out that, the funding that was given to Amtrak was woefully inadequate and doomed it to failure from the outset. In effect, what we did was set up a corporation to pass the debt from private hands to the taxpayers of this Nation, and we did not give Amtrak the wherewithal to create better service, better rights-of-way, acquire new equipment, and do all the things necessary to brake the cycle of deficits which had become critical when the rails were in private hands. In effect, we said, "Let us put it into a Government corporation and then give it just enough money to cover operating deficits in the year ahead."

Originally the bill, which the Senate is being asked to pass today, called for $170 million to be allocated to operating deficits incurred between now and July 1, 1973. Certainly, that does not bespeak any great optimism in what is going to happen. But what the Senator from Indiana and his subcommittee and the Commerce Committee are doing in this bill is giving additional funds earmarked specifically for capital improvements.

If you run the same trains over the same rights-of-way in the same manner, you are going to end up with the same deficits. I do not think that is what the American people expected when Amtrak was established; but, unfortunately, a full-page advertisement in the newspaper and a high-sounding name does not put one new car on the track, does not create one new right-of-way, does not employ one new way of railroading. To do that requires money.

So I think it important to point out that the efforts of the committee in this direction were not to provide just addi-

tional funding. I noticed in the newspapers, after the Commerce Committee had reported the bill out of committee, that it was stated new funding had been added to the bill which had not been requested. Let me point out that that was not what was important.

We did not seek increased funding for its own sake. Today marks a new day, a real departure in the thinking of this legislative body as to what our transportation system——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. WEICKER. I ask for 2 additional minutes.

Mr. BEALL. I yield the Senator 2 more minutes.

Mr. WEICKER. As to what our transportation system should consist of. I point out that due to the actions of the committee, an additional $100 million in direct funding and an additional $150 million in loan guarantees has been incorporated in the Amtrak bill. For the first time the American people are being told what it really costs to run a railroad.

But altogether, the issue is no longer just those who want to travel intercity, because the cost of the rails can be based on human life—55,000 people killed on the highways every year—it can be based on pollution and our efforts to do away with it; it can be argued on the basis of moving people around; it can be argued on the basis of what the needs of our cities are. It is a broad issue. It no longer belongs alone to the traveler from New York to Chicago.

No other form of transportation can move so many people over such a small piece of real estate; and as powerful as we have become throughout the world, and as many achievements as we have in the areas of science and space, the fact remains that the United States of America has without question the worst rail system of any major nation in the world.

So I am delighted and I am proud that the U.S. Senate, and specifically the Committee on Commerce, has chosen to be the pioneer, has chosen to set forth what our commitment is going to be, which has not, frankly, been done by the administration or added by the House of Representatives.

This is new. It is exciting. And if this bill passes, we will have, not a thousand transportation happenings in the United States of America, but indeed a transportation system.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, I yield myself 2 minutes.

I thank the Senator from Connecticut for his comments today. The fact is that he has represented, inside the committee, one of the driving forces to make Amtrak work, and it is his amendment which provides the additional funds and the allocation of those funds in a manner which will effectively achieve something in the future for the movement of people.

Let me state an example of what could and should happen, and I hope will happen. It is 227 miles from New York to Washington. The average time in which that distance has been covered under Amtrak is 2 hours and 50 minutes. But with greater capital expenditures—that means improved track and improved equipment—there is no reason whatsoever but that within a few years, if we move effectively, we could have a train make that trip in 1 hour's time, from city to city.

This would be a development which people could understand, and to which they would respond. Then we would begin to truly move forward with the rail transportation system. This is what we are talking about.

There is no reason in traveling by train, between Boston and New York, that that train should always stop in New London. I enjoy New London, Conn., where my first daughter was born, but I tell you quite honestly that we should have put in new systems and new methods which would make a much faster trip possible between those two cities. If we, as an example, want to do something effective for this country to celebrate its 200th anniversary, we ought to start moving people. Perhaps next year, with the election out of the way, we can proceed forward with a dynamic new approach in seeing that by 1976 we will have established some new, meaningful transportation methods which will be consistent with our capabality by the year 2000.

I compliment the Senator from Connecticut not only for his fine comments, but also for his insistence that the Senate not be merely a rubber stamp for what the administration asked or what the House of Representatives approved. By virtue of the type of dynamic presence that he has, he has established himself as a leader in this field.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, at the outset of my remarks——

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Who has the time in opposition?

Mr. HARTKE. The Senator from Maryland.

Mr. PELL. Will the Senator from Maryland yield me 10 minutes?

Mr. BEALL. Ten minutes on the bill?

Mr. PELL. I have an amendment which is now being recast to, I hope, meet general acceptance.

Mr. BEALL. I am glad to yield the Senator 10 minutes on the bill.

Mr. PELL. Mr. President, at the outset, I would like to commend the Committee on Commerce and its distinguished chairman on the legislation reported to the Senate. The bill as reported is a distinct improvement over the legislation recommended by the administration.

The Amtrak funding authorization requested by the administration was a minimal proposal, barely sufficient to maintain Amtrak's current rail passenger operation.

The work the Senator from Indiana has done in this regard, with the Senator from Maryland, the Senator from Washington, the Senator from New Hampshire and the Senator from Connecticut, has helped tremendously in refining and tightening up and also making the thrust of this legislation move in the direction that so many of us have thought that it should.

I know, as one individual Member of this body 7 years ago wrote a book called "Megolopolis Unbound," which sought to show that the best method of moving people cheaply and efficiently between cities is ground transportation, that to do that there have to be improvements and changes in the technology, and money provided for that purpose. If these changes are made, if adequate transportation is provided for the people of the urban corridors, we will find them using it, as has already been proved in the megalopolis between here and Boston. But if it is left to the private railroads, one finds then that since they can make more money, and there is nothing wrong with making a profit, out of moving goods rather than people, they will prefer to move goods. Why? Because goods do not require polite service, prompt service, comfortable service, and nonbumpiness to such an extent.

These thoughts have been in my mind now for many years—almost 12 years. Out of these thoughts was generated the concept of the High Speed Transportation Act with its resultant metroliners and turbo-trains and my book. But the movement has been slow in our country. Other nations are aware of the potential in moving people—the need for moving people quickly and comfortably on the ground. The result is that our great Nation has one of the more inferior passenger railroad services of all the technologically advanced nations.

The Committee on Commerce has recognized what needs to be done, and its members are to be congratulated. In the reported bill, they have increased the funding for direct grants by $100 million and for loan guarantees for capital improvements by $150 million. This is certainly an improvement, and a commendable recognition of the reality that the ground passenger system needs new capital funding to break out of its downward spiral. But H.R. 11417 as amended still does not authorize a full-fledged vigorous program to permit the development of the potential of the rail passenger system. The committee recognized this in its report, noting that the additional loan guarantees "will not enable major rebuilding of tracks and roadbeds" but only "judicious, if limited, tract improvements"—page 13 of report.

The amendment I have offered would provide the additional capital resources essential to improvement in rail passenger service; and equally important, it would focus those funds in the area

where rail passenger service has the greatest potential, and promise, in the urban corridors of the country.

At this time, Mr. President, I send to the desk an amendment on behalf of myself and the Senator from Massachusetts (Mr. KENNEDY) and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 27, immediately after line 17, insert the following new sections and redesignate section 12 as section 14:

SEC. 12. Section 102 of the Rail Passenger Service Act of 1970 is amended by striking out clause (8) and inserting in lieu thereof:

"(8) 'Urban corridor' means a densely populated area containing a series of two or more standard metropolitan statistical areas not more than five hundred miles apart connected by major routes of ground passenger transportation."

SEC. 13. Title VI of the Rail Passenger Service Act of 1970 is amended by adding the following new sections:

"LOANS FOR URBAN CORRIDOR IMPROVEMENTS

"SEC. 603. (a) The Secretary is authorized, on such terms and conditions as he may prescribe by regulations which he may promulgate, to make loans to the Corporation for the development, improvement, and construction of rights-of-way, terminals, and vehicles to be used for intercity transportation along fixed guideways within urban corridors of the United States.

"(b) Loans made under this section shall be made in conformance with comprehensive regional transportation plans made in consultation with the Corporation, the Secretary of Transportation, and the Governors and to the extent practical, elected representatives from standard metropolitan statistical areas within the region. When allocating loans to the Corporation, the Secretary shall consider the potential revenue to be generated by the improvements planned and the numbers of passengers to be served by the improvements.

"(c) There are hereby authorized to be appropriated such amounts, not to exceed $50,000,000, as may be necessary to carry out the purposes of this section. Any sums appropriated shall be available until expended.

"GUARANTEES FOR LOANS FOR URBAN CORRIDOR IMPROVEMENTS

"SEC. 604. (a) The Secretary is authorized on such terms and conditions as he may prescribe by regulations which he may promulgate, to guarantee any lender against loss of principal or interest on securities, obligations, or loans issued to finance the development, improvement, and construction of rights-of-way, terminals, and vehicles to be used for intercity transportation along fixed guideways within urban corridors of the United States. The maturity date of such securities, obligations, or loans including all extensions and renewals thereof, shall not be later than twenty-five years from their date of issuance, and the amount of guaranteed loans outstanding at any time may not exceed $50,000,000, and the cumulative amount of guaranteed loans to be authorized shall not exceed $100,000,000.

"(b) Guarantees for loans provided under this section shall not be made unless such loans are to be made in conformance with comprehensive regional transportation plans made in consultation with the Corporation, the Secretary of Transportation, and the Governors and, to the extent practical, elected representatives from standard metropolitan statistical areas within the region. When providing such guarantees, the Secretary shall consider the potential revenue to be generated by the improvements planned and the numbers of passengers to be served by the improvements.

"(c) There are authorized to be appropriated such amounts as may be necessary to carry out this section.

The PRESIDING OFFICER. Is this the amendment of the Senator from Rhode Island on which there is to be a 1-hour limitation, 30 minutes to each side?

Mr. PELL. That is correct.

Mr. President, I now use my time on the amendment, and I yield myself such time as I may require.

The amendment would authorize an additional $50 million in direct grants for capital improvements in the urban corridors, and an additional $100 million in loan guarantees, also for capital improvements in urban corridors. Urban corridors are defined as densely populated areas containing a series of two or more standard metropolitan statistical areas not more than 500 miles apart and connected by major routes of ground passenger transportation. The loans and loan guarantees would be available to Amtrak with the requirement that the funds be utilized in accordance with comprehensive regional transportation plans.

Mr. President, there are, I believe, two overriding facts about the current state of rail passenger service. The first is that the greatest need is for improvement of tracks and roadbeds to permit smoother and higher speed operation. The second is that the urban corridors is where capital investment has the potential to produce increased patronage and increased revenues that will make better service self-supporting and, in some cases, profitable.

In addition, it is in these urban corridors that population and transportation congestion is greatest, and where the environmental effects of transportation systems are of greatest concern.

My amendment would focus Federal assistance funds on these areas, where both the need and the promise of benefits are greatest.

Mr. President, when speaking of urban corridors, we normally think of megalopolis, the Northeast Corridor, stretching from Washington through New York City to Boston. But there are present and developing corridors throughout the United States. Just as a beginning, the Department of Transportation has identified 15 such corridors. They are:

Miami-Jacksonville, Oakland-Sacramento, Houston-Oklahoma City, Chicago-Minneapolis, Kansas City-St. Louis, New York-Boston, New York-Richmond, Seattle-Portland, Chicago-Cincinnati, Memphis-New Orleans, New York-Buffalo, Chicago-St. Louis, Chicago-Detroit, Los Angeles-San Diego, and Pittsburgh-Philadelphia.

According to a 1968 report by DOT, these corridors contain more than three-quarters of the urbanized population of the United States. In addition, 67 percent of all passenger travel occurs between the corridor distances of 50 and 499 miles.

Mr. President, although smaller in scope, this amendment is similar to amendment No. 696 which I submitted with the cosponsorship of 12 of my colleagues in November of last year. And these amounts, I would emphasize, are modest in comparison with investments already programed in transportation systems—about $10 billion in highways and $4 billion in airports and airways during the next 2 years alone. The sums authorized by the amendment are very modest compared with what eventually will be required to rebuild and modernize the neglected rail passenger system of this country.

I believe it is time not only to talk about this job, but also to get on with it and to get the principle of regional corridors accepted.

In closing, I would leave this thought with my colleagues: Three-quarters of our people who travel live in urban corridors, and obviously this is where the largest amount of money should be spent. The long-haul distances are more adequately served in the air. I would hope that where high-speed ground transportation could do a job, it would be permitted to do so and that this principle might be accepted.

As the manager of the bill and the ranking minority member now, I have radically reduced the funds involved and reluctantly removed the reference to the regional concept, because of the problems of other regional organizations and the overlapping jurisdictions that are involved. But I would still hope that my amendment, somewhat truncated as it is, could be accepted, because it does get across the principle that the emphasis, when it comes to spending money for high-speed ground transportation, should be in the areas where the people are, where the profits are, and where the need is.

Mr. HARTKE. Mr. President, I compliment the Senator from Rhode Island for his long and courageous stand in connection with trying to do something about the transportation of people. He has been a consistent proponent and an outstanding leader in the effort to improve transportation by his efforts on the floor of the Senate, and his well-known authorship of a very fine book in this field which is one of the outstanding works in the field.

Mr. PELL. I thank the Senator. But all I can do is offer words. The chairmen of the Surface Transportation Subcommittee and of the Commerce Committee offer actions, and their actions have done far more than my words, and I congratulate them.

Mr. HARTKE. I understand that the Senator from Rhode Island now has reduced his amounts severely, to approximately 10 percent of the original amounts. The concept of regionalization is one which I favor, but it was a matter of dispute and discussion in hearings before the Commerce Committee. So that matter is one upon which I am not prepared to speak for the committee, I can-

not do so, and I understand that that aspect has been removed from the amendment. Is that correct?

Mr. PELL. That is correct. I recognize the problem here, because the urban corridors concept is, in itself, regional, and by accepting it we can cross that point.

Mr. HARTKE. The other problem, which presents itself somewhat in more detail, is the question of whether the amendment might not conflict with the purposes of Amtrak which is confined to intercity transportation. We should not here, with this bill, be attempting to deal with urban transportation. In many ways, I am of the opinion that what the Senator from Rhode Island is speaking about is what almost amounts to mass transit and what amounts to a severe problem for every community in the Nation. That is a matter which concerns me and concerns the committee greatly, we merely question whether it should be addressed by this bill.

Mr. PELL. If the Senator will yield at that point, he is absolutely correct. The concept I am trying to get across is that megalopolis is really one big metropolis, and we are going to have other megalopolises around the country. What we should think of—and this is where I disagree with some of the Amtrak management—is not of longer multicar trains but shorter trains running more frequently and on a need rather than a scheduled basis just like our subway system. Every 10 minutes, up and down our corridor, there could be trains running like a city subway system.

These cars could be run every 10 minutes between Philadelphia and New Haven and perhaps every 15 or 20 minutes between Washington and Boston. In other corridors, the operations could be in the same pattern. This would provide plenty of jobs because more cars would be running. I believe that the men of the railroads would like the concept of that appoach. I believe the public would like such a concept. That really would be mass transit. We could consider the mass transit approach particularly in the area between Washington and Boston.

Mr. HARTKE. Mr. President, there is no question that the Senator from Rhode Island is supporting a viewpoint which is widely held. The fact remains, though, that we are dealing with something that is very immediate: We are dealing with a system which could expire about a year from now—in 1973. We are dealing with a system taken over from many railroads and are trying to put it back together.

I have discussed the matter with the chairman and other members of the committee, including the ranking minority member. What we have decided, very frankly, is that the proposal of the Senator from Rhode Island—and he is well aware of the difficulties we might have in trying to make this type of determination—might cloud the bill so much that it would jeopardize the continuation of the program.

I have discussed the matter with other members of the committee, and we are prepared to accept the amendment and take it to conference. I would hope that we might have a detailed study as to how the amendment would apply in relation to the overall operation of the plan, particularly as the legislation would concern urban mass transit.

Mr. PELL. That would be agreeable to me. I thank the chairman of the Subcommittee on Surface Transportation for his courtesy and helpfulness in this regard, and I likewise thank the ranking Republican member of the committee.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. TAFT. I have listened with interest to the Senator from Rhode Island describe the corridors that might be involved in his amendment. However, I did not hear any mention of the city of Cleveland or the city of Toledo. What I should like to inquire about is whether the Cleveland-Toledo-Detroit area is one which would qualify for inclusion in the Senator's amendment.

Mr. PELL. I know that Chicago and Detroit are mentioned on the map. I cannot imagine why Cleveland is not on the map. It certainly should be.

Mr. TAFT. I should like to ask, first, whether Cincinnati, Columbus, and Cleveland would be included in such a plan.

Mr. PELL. Each one?

Mr. TAFT. Cincinnati, Columbus, Cleveland, and also Akron.

Mr. PELL. My knowledge of the geography of that area is not as good as it is of New England. Chicago and Cleveland would be included.

Mr. TAFT. Chicago and Cleveland should be included.

Mr. PELL. I regret if your Cincinnati and Cleveland corridors have not yet grown to maturity; and if they are not now included, I am certain they will be because of during what I am sure will be the Senator's long tenure in this body.

Mr. TAFT. Will the Senator from Rhode Island outline the specific requirements for inclusion of such cities?

Mr. PELL. An urban corridor means:

A densely populated area containing a series of two or more standard metropolitan statistical areas not more than five hundred miles apart connected by major routes of ground passenger transportation.

Mr. TAFT. Will the Senator explain why the Cincinnati-Columbus route would not be covered? Those cities are metropolises having populations of around a million—approximately 700,000 in Columbus; and 100 miles away is Cleveland, having almost 2 million.

Mr. PELL. So far as I am concerned, I would be delighted if they were included.

I would support the Senator from Ohio if his corridors met the criteria and he suggested they be included.

Mr. TAFT. There is a qualification in the Senator's amendment which provides for a population of more than a million and relates to a degree of settlement along the lines of transportation.

Mr. PELL. That is correct. My amendment would apply to any areas that met the requirements of the Amtrak lines or corridors. Perhaps more should have been included.

Mr. TAFT. I am trying to determine what are the criteria of the Senator's amendment. I do not understand what they are.

Mr. PELL. The criteria are:

"Urban corridor" means a densely populated area containing a series of 2 or more standard metropolitan statistical areas not more than 500 miles apart connected by major routes of ground passenger transportation.

Under that definition, it seems to me that the corridors the Senator from Ohio is speaking of would comply.

Mr. TAFT. They should be included eventually. That is the reason for my question.

Mr. PELL. I think the reason for their not having been included is that they do not meet the present criteria for ground transportation.

Mr. TAFT. I do not think that is correct.

Mr. PELL. On the map furnished me by Amtrak I see the corridor, but the route is not marked on it.

Mr. TAFT. In other words, the route must be served by the present Amtrak service in order to qualify. Is there a requirement that at present the corridors in question must have that service?

Mr. PELL. Yes. For instance, the route between Seattle and Portland is at present considered a corridor.

Mr. TAFT. So the Senator is not proposing to add new corridors but merely to put additional money into corridors that exist where there are megalopoli?

Mr. PELL. That is correct. But the question is whether the Senator's corridors meet the requirement established when Amtrak considered major routes of ground passenger transportation between Cincinnati and Cleveland. As of now, they do not consider it to be such.

Mr. TAFT. What is a "major route of transportation"? Is that a bus line?

Mr. PELL. No; a frequently traveled railroad line.

Mr. TAFT. Can there be a frequently traveled railroad line without its being a part of the present Amtrak system?

Mr. PELL. This is somewhat confusing. Some passenger lines have not been in existence for many years. My amendment does not propose to revive those lines. My amendment seeks to develop routes that are used at present. If the Senator believes that the routes he is speaking of should be used——

Mr. TAFT. They were being used until Amtrak came along. Now they are not in use.

Mr. PELL. They must meet the definition.

Mr. TAFT. The Senator is telling me, apparently, that there must be Amtrak service on them now in order to qualify.

Mr. PELL. No; I am not saying that there must be Amtrak service now. It must be a major route of ground transportation as defined by the Secretary of Transportation. He has not yet defined the routes the Senator has described.

Mr. CHILES. Mr. President, will the Senator from Rhode Island yield?

Mr. PELL. I yield.

Mr. CHILES. I was delighted to hear the Senator from Rhode Island say that the route between Jacksonville and Mi-

ami is one of the routes the Department of Transportation has now included. I wondered whether the map shows a drawing of a route between St. Petersburg, Tampa, Orlando, and Daytona Beach. That is a part of the major corridor that transportation to and from Disney World travels across the State of Florida. There is an Amtrak route that goes across that corridor that does contain the metropolitan areas of Tampa, St. Petersburg, Orlando, and Daytona Beach.

Across that corridor today, on Interstate 4 is one of the most traveled interstate roads. There is a most pressing need for a mass transit or rapid transit system there in the rail corridor that is presently there.

Mr. PELL. Mr. President, I regret to inform the Senator from Florida as I did the Senator from Ohio that his route is not included in the chart. The only route in the Senator's State included in the chart is the one from Miami to Jacksonville.

The Senator makes a good argument. I think he should press his case on the definition.

Mr. CHILES. Mr. President, can the Senator from Rhode Island tell me why that route would not be included at this time?

Mr. PELL. The only reason that I could give—and a very unsatisfactory reason—is that when the chart was drawn up, it was not considered to have a major system of transportation between the two cities.

Mr. CHILES. Would the definition contained in the Senator's amendment mean it would have to be a rail system?

Mr. PELL. The Senator is correct.

Mr. CHILES. It means ground transportation.

Mr. PELL. It does mean rail transit.

Mr. CHILES. It means ground transportation.

Mr. PELL. It does mean rail transit.

Mr. CHILES. And if there was a rail system prior to that, and that was the occasion for the Amtrack system, then would that be included?

Mr. PELL. My understanding is that if it joined two standard metropolitan statistical areas, as a major means of transportation it would measure up to it.

Mr. CHILES. I am trying to find out what would constitute major use. I know that it has to be a rail system and that it has to join the ASMA. If that is a part of the Amtrak system, is that sufficient to comply with the definition?

Mr. PELL. Mr. President, as of now, it means it has to be if the Amtrak system presently provides service or if an independent railroad, not part of the Amtrak system, is there, and it meets the other criteria. I think that there are a few around the country that give passenger service.

Mr. CHILES. That presently give passenger service.

Mr. PELL. The Senator is correct. I do not think that applies to the Senator's area.

Mr. CHILES. Mr. President, I thank the Senator.

Mr. KENNEDY. Mr. President, I rise to speak as a cosponsor of this amendment designed to provide for an expanded, upgraded, and efficient high-speed ground transportation in the Northeast corridor and other urban corridors of this Nation.

If we provide the additional resources provided by this amendment, I believe we will have moved the Nation much closer to creating a sensible system of transportation.

It will mark a turn away from the congestion caused by the automobile and a basic shift toward more adequate mass transportation for the heavily populated sectors of this country.

For nearly a decade, we have watched the east coast of this Nation become a megalopolis. We have seen the transportation system fail to keep up with the needs of a densely populated corridor. The result has been more highways, more automobiles, more pollution, but less convenient, less efficient, and less adequate transportation.

There are currently 15 urban corridors across the country, including Boston-New York, New York-Washington, New York-Buffalo, Philadelphia-Pittsburgh, Miami-Jacksonville, Chicago-Indianapolis-Cincinnati, Detroit-Chicago, Chicago-St. Louis, St. Louis-Kansas City, Milwaukee-Minneapolis, Seattle-Portland, Oklahoma City-Dallas-Houston, Memphis-New Orleans, and Oakland-Sacramento.

These are densely populated areas containing a series of two or more standard metropolitan statistical areas not more than 500 miles apart connected by major routes of ground passenger transportation.

All of these corridors would be eligible for transportation assistance under this amendment.

And there is specific reference to the Northeast corridor, essentially Washington to New England, because that is where we must take action immediately.

After 8 years of study, the Northeast corridor transportation project of the Department of Transportation issued its final report and recommendations last September.

The report found the Northeast corridor to be the most extensively urbanized region in the Nation with some 44 million persons, 20 percent of the Nation's population, living on less than 2 percent of the Nation's land.

The sprawling growth of suburbia and exurbia, the exodus of industry and population from the central city, the steady concentration of people in new metropolitan areas joined in an urban band 500 miles long—all have created the transportation crisis.

Traffic congestion on the highways and congestion at airport terminals already exist so that travel times both by air and by road are increasing between Boston and New York and between Washington and New York. In fact, it takes longer today on the average to get from National Airport to New York than it did in 1953.

The report noted:

> Aircraft and terminal delays between 1968 and 1969 increased 20 percent. Almost 30 percent of this delay was registered at five major Corridor airports.

It was after years of detailed investigation that the final report recommendations were made. And I believe it is essential that action be taken now to begin to put the recommendations into effect.

The amendment now before us would authorize funds for that purpose.

The major recommendations of the study for the current decade was to improve the passenger railroad service to provide 2-hour nonstop travel New York to Washington and 2¾-hour nonstop travel from New York to Boston. A 3-year program would include $100 million for right-of-way improvements between Washington and New York, $190 million in similar improvements between New York and Boston, $70 million for terminal improvements, and $100 million for additional vehicles.

This would mean more high speed Metroliner-type cars, improved passenger comforts, greater frequency of schedules, and both nonreservation and nonstop service.

The result would be a major reduction of the air and road congestion within the corridor, a reduction in pollution and an increase in passenger service. The resulting profitmaking potential would fund additional improvements in the 1980's that would decrease nonstop rail service time from downtown Washington to downtown New York to 1½ hours and to 2 hours between New York and Boston.

As more people used high speed trains within the corridor, congestion on the highways and congestion at the airports would be substantially reduced.

This provision would be the model adopted by the Nation to be used in the other urban corridors and would provide a means by which we could avoid in many of those corridors the congestion and the breakdown of the transportation system which has occurred in the Northeast corridor.

This amendment provides for the first major step toward carrying out the recommendations of the Northeast corridor report and I urge its adoption.

Mr. BEALL. Mr. President, I yield as much time as he may need to the Senator from New Hampshire.

The PRESIDING OFFICER (Mr. BENTSEN). The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, may I call to the attention of the Senate and particularly to the attention of my highly esteemed friend, the distinguished Senator from Rhode Island (Mr. PELL), the fact that this colloquy which has just taken place is a beautiful demonstration of the trouble we get into when we try to deal with the establishment of a transportation system in the country. We get into the situation of trying to name routes of service between city X and city Y and determining whether we are going to get rail service in a certain location.

To be perfectly frank, we get into a situation of determining whether every Member of Congress is going to get a train through his locality and whether every Senator will get a train through his State. That situation will make it absolutely dead certain that this attempted experiment of trying out Am-

trak will be an utter, complete, and colossal failure.

Mr. President, I am in sympathy with the objective of my good friend, the Senator from Rhode Island. It happens to be the firm belief of this Senator—and I think there are also others of the same mind—that if Amtrak is going to run long-haul passenger trains across the continent, it is a hopeless situation. In most cases, in my humble opinion, only a small number of people are ever again going to ride a train from Boston to Los Angeles on such long-haul passenger trains. And, if the Amtrak system is going to be a success and render service on at least a reasonable "break-even" cost basis so that large sums of Federal money will not be going down the drain in a hopeless cause, then we should give serious thought to the concept advanced by the distinguished Senator from Rhode Island (Mr. PELL). It should be confined to high-density urban corridors—that is, service between cities of large population, not more than 500 miles apart.

Mr. President, the trouble comes when we start talking about more criteria, such as the requirement that it has to be someplace that Amtrak is already serving.

As far as I am concerned, I would be very glad to accept the amendment if the Senator from Rhode Island (Mr. PELL) were to cut down the expenditures and authorizations, as he says that he is willing to do, so as to provide not to exceed $50 million for loans and not to exceed the cumulative amount of $100 million in guarantees for loans. Also, I suggest that in the definition of "urban corridors" he so amend it so that the authority shall only be used in service between large cities that are not more than 500 miles apart and stops there. This would constitute guidance and more than a strong hint to those administering Amtrak as to just what the Senator means.

Nevertheless, the fact still does remain that he is getting into the field of mass transit instead of the defined mission of Amtrak. I would be willing, however, to accept the amendment on a voice vote and take it to conference. But, if it goes any further we are in trouble clear up to our necks.

The criteria is important because it leads us into a situation where two-thirds of the Senators would want to know whether it takes in city X or city Y. We would be hopelessly lost.

I also understand that the distinguished Senator from Massachusetts (Mr. BROOKE) has an amendment with a slightly different approach, which I think should be carefully considered. It, too, might be taken to conference.

However, with the suggested changes I would be willing, as the distinguished Senator from Indiana (Mr. HARTKE) has said, to accept the amendment of the distinguished Senator from Rhode Island (Mr. PELL). I would want to be sure that the distinguished Senator from Maryland (Mr. BEALL), the ranking minority member of the Subcommittee on Surface Transportation, agrees. However, I personally would not be willing to do so with anything more in the amendment than just those bare bones.

Mr. President, I take the liberty of pleading with the Members of the Senate. Please, let us not get into the situation by way of definition, or by writing into the statute, or by even creating legislative history during this debate, what specific cities or localities are going to be served, because that would just spell the end.

I thank the Senator for yielding to me.

Mr. BEALL. I thank the Senator from New Hampshire. If so amended, I believe the amendment offered by the Senator from Rhode Island (Mr. PELL) would be acceptable and we could take it to conference. The Senator has spoken of problems that are of great concern to all of us. It involves moving people in such a way that those who are charged with the responsibility can perform the service without being forced into bankruptcy, and recognizes the fact that to be successful we have to have the most modern technology available.

I would be willing to go to conference with an amendment of this sort.

Mr. President, I am ready to yield back my time if the Senator from Rhode Island (Mr. PELL) is ready to yield back his time.

Mr. PELL. Mr. President, I yield to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I wish to ask a question of the Senator from Rhode Island. I have an amendment, cosponsored by the Senator from Ohio, which is designed to reach exactly the point. I had not intended to discuss it now, but it occurs to me that it might be appropriate as an amendment to the pending amendment, if that is permissible.

The amendment would deal solely with the cities of Cleveland and Little Rock. I might say that my State is the only State of its size without any service whatever. Little Rock is on an alternate route from St. Louis to Texas. It qualifies under the expressed view of the committee on page 6, in which it stated:

EXTENSION OF DOMESTIC SERVICE

The Committee discussed a suggested requirement that Amtrak provide service to the largest standard metropolitan statistical area (SMSA) in each State provided that such SMSA were located on an alternate route identified by the Secretary of Transportation in his "basic system" report. While the committee does not feel that a statutory directive is appropriate at this time, it does believe that Amtrak should give serious consideration to providing service to all such areas. The absence of Amtrak service to Cleveland, Ohio, and Little Rock, Ark., is contrary to the mandate that Amtrak provide a basic system of rail passenger service within and between all regions of the United States.

Mr. President, that is the statement from the committee report. My amendment simply puts that into the law, using that same criteria of the "largest standard metropolitan statistical area in each State" in which such area has a population in excess of 300,000 people. Its effect would be to include Cleveland and Little Rock.

Until Amtrak came along Little Rock was on the principal route between St. Louis and Texas, and, of course, on to Mexico.

I wonder if it would not be appropriate for this amendment to be incorporated into the pending amendment. If not, I will offer it as a substitute. The discussion has taken place, and the Senator from Ohio has spoken on this subject. If it could not be incorporated in the present amendment I will have to offer it separately.

Mr. HARTKE. Mr. President, I think I speak for the committee. This is the heart of the difficulty of the amendment submitted by the Senator from Rhode Island. I think the Senator has presented a clear case. Reference has been made to the elimination of the regional concept, the understanding that it was within the jurisdiction of the Department of Transportation and within Amtrak authority to follow the definition of routes as was originally provided for in the Amtrak legislation and that there is no legislative action on the route concept whatever in the pending amendment.

I will say to the Senator from Arkansas (Mr. FULBRIGHT) that if his amendment is attached to the amendment of the Senator from Rhode Island we would be required to oppose. The effect would be that if the Senator from Rhode Island wants to accept an amendment to his amendment I wish to make clear that the committee would be in the position where it would have to oppose the amendment if it becomes amended.

Mr. FULBRIGHT. I take it from that that the committee will oppose the amendment offered by the Senator from Ohio and me when it is offered.

Mr. HARTKE. The Senator is correct.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. Is it in order to offer this as an amendment to the amendment, excluding from my prepared amendment the first line regarding the amounts, which could be separated? Is it in order to offer that at this time?

The PRESIDING OFFICER. It is if the last line is also excluded.

Mr. FULBRIGHT. That is a technical detail. I would be glad to offer those separately. The substantive question is contained in section 12 with the correction of the numbers.

As soon as time on the amendment has expired it would be in order to offer my amendment as an amendment to it?

The PRESIDING OFFICER. The Senator is correct.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. HARTKE. I yield.

Mr. COTTON. Mr. President, I would not want the Senator from Arkansas (Mr. FULBRIGHT) to feel for one minute that we are trying to discriminate against him. I believe the New England States are excluded from having service because they did not have the service at the time Amtrak was adopted. Those States cover more than 3 million people.

I think that perhaps service, in the interest of the Senator from Arkansas (Mr.

FULBRIGHT) and the Senator from Ohio (Mr. TAFT), should be adopted. But again I must reiterate that if we open up the floodgates or Pandora's box—or whatever metaphor one wishes to use—and start writing into the law on the floor of the Senate particular cities and localities, then the entire bill will go down like the *Titanic*—fast and without any question.

Therefore, we will have to strenuously oppose this designation—whether it is an amendment to the amendment offered by the Senator from Rhode Island (Mr. PELL), or an amendment by itself. Such oposition is not because we do not believe there is much merit to the Senator's contention, but we think that it is a determination which should be left to Amtrak and the Department of Transportation.

Mr. FULBRIGHT. Mr. President, will the Senator from Rhode Island yield?

Mr. PELL. I yield.

Mr. FULBRIGHT. This does not cite specific routes. It cites certain standards to be met. There is a distinct difference in connection with Little Rock. It did have service and was excluded as a result of Amtrak. We propose to set standards, but it would be under those standards which the committee expressed sympathy for in that portion of the report which I read. The committee seemed to be interested in hoping it could be done. I do not believe it is a question of unlimited expansion. The committee itself expressed a certain favorable sentiment on this subject.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. COTTON. I certainly agree with the Senator. We, too, were excluded, but that is water over the dam.

May I ask, how does the Senator's amendment definitely provide for service to Little Rock and Cleveland, without naming them?

Mr. FULBRIGHT. The amendment would provide for service to the "largest standard metropolitan statistical area in each State," when such area has a population in excess of 300,000.

It is my understanding from the staff that the only two communities which would meet that criterion would be Cleveland and Little Rock under present conditions. Others might meet the criterion later, but at present it would be Little Rock and Cleveland.

Mr. COTTON. How far apart are they?

Mr. FULBRIGHT. They are not on the same route, of course, but I guess they are 700 or 800 miles apart. The route I am talking about was formerly the principal route between St. Louis and Texas. This route also is 700 or 800 miles long and crossed the State of Arkansas. Little Rock was the principal stop between St. Louis and points in Texas.

Mr. COTTON. Under the terms of the amendment of the Senator from Rhode Island (Mr. PELL), and I think under the understanding of the committee, Little Rock might well be qualified and be considered for connection with St. Louis. But, are you saying that your amendment also would require service between two centers as far apart as Cleveland and Little Rock?

Mr. FULBRIGHT. It is not service between Cleveland and Little Rock we are looking for. That is not the point.

Mr. COTTON. I am trying to find out what I am looking for.

Mr. FULBRIGHT. Arkansas now has no service at all. We are proposing the criterion of the largest standard metropolitan statistical area. Under the provisions of the proposed amendment this would be Little Rock in Arkansas, because it has a metropolitan area population of more than 300,000. Little Rock used to be serviced on the principal route between St. Louis and Mexico. This bill undertakes to reopen service to Mexico. Arkansas is on the old, alternate route, formerly the principal route. It is the most direct route. It is the most direct way to go from St. Louis—the same could be said of Chicago—on to Texas and to Mexico.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BEALL. With all respect to the Senator from Arkansas (Mr. FULBRIGHT), I think there is a substantial difference between the two amendments. While it may be parliamentary correct to offer his amendment to the amendment of the Senator from Rhode Island (Mr. PELL), in the amendment of the Senator from Rhode Island it says the Secretary is "authorized" to do certain things. Everywhere the word "authorized" is used, whereas in the amendment offered by the Senator from Arkansas, it says that the National Rail Transportation Service "shall."

Mr. FULBRIGHT. That is right.

Mr. BEALL. While the Senator from Rhode Island (Mr. PELL) is allowing the flexibility necessary in order to make rational decisions with respect to moving people from point to point, in accordance with available technology, the Senator from Arkansas (Mr. FULBRIGHT) is doing something contrary to what the Senator from Rhode Island said was necessary, allowing this flexibility to experiment. The Senator is saying that the flexibility must stop.

The PRESIDING OFFICER. The Senator from Maryland is speaking on the time of the proponents, and all time has expired.

Mr. PELL. Mr. President, has the amendment of the Senator from Arkansas been offered yet?

The PRESIDING OFFICER. It has not been, and it cannot be offered until all time on the amendment has been used.

Mr. PELL. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. HARTKE. Mr. President, I will yield 2 minutes of my time on the amendment. Before I do that, let me make a point.

The PRESIDING OFFICER. The Senator from Indiana has no time remaining on the amendment.

Mr. COTTON. Mr. President, I will yield the Senator 2 minutes on the bill.

Mr. HARTKE. Mr. President, I will yield myself 2 minutes on the bill.

The fact still remains that we have come to a good understanding with the Senator from Rhode Island on his revised amendment as it is now submitted. I point out that it does not deal with specific routes. That is a very difficult and touchy situation. I would hope we would not destroy the agreement on the revised amendment of the Senator from Rhode Island, which I think is a very worthwhile goal, by encumbering it with a separate amendment which I think we can deal with at a proper time. I would like the Senator from Arkansas to know that at that time we will oppose it as an amendment. We would oppose it as an amendment to the amendment of the Senator from Rhode Island.

Mr. FULBRIGHT. Mr. President, if that is the way the committee feels about it, I will offer it in a different way.

Mr. COTTON. Mr. President, I will yield myself 1 minute on the bill.

Mr. FULBRIGHT. But I thought, in the interest of efficiency, since it dealt with a subject matter that the pending amendment deals with, it would be advisable to offer it at this time. I will offer it as soon as this amendment is disposed of.

Mr. COTTON. Mr. President, I would like to yield 2 minutes on the bill to the Senator from Rhode Island (Mr. PELL). I think we ought to know exactly what is in his revised amendment.

Mr. PELL. I thank the Senator from New Hampshire.

Mr. President, in revising the amendment, I think the Senator asked his council to go over it, so I think he has had more of a chance in this regard than I have. It reduces the amount by 90 percent and knocks out the regional concept. I would hope the Senator from Arkansas would not press his amendment at this time, because what I have sought to do in my amendment is to be unspecific and generic, in helping the urban corridors, but we are not including areas that are not so densely populated. Twenty-five percent of our people and probably 80 percent of our land area are left out of this amendment, but it is helping where the people are. So I hope it will be accepted.

Finally, with respect to transportation to Mexico, that is not on the urban corridor. This refers only to the urban corridor, on which the Senator from New Hampshire and the Senator from Indiana have worked so hard in committee.

Mr. COTTON. Mr. President, will the Senator yield for a question?

Mr. PELL. I yield.

Mr. COTTON. Has the Senator taken from his amendment the other restrictions, such as cities already being served?

Mr. PELL. But in fact—and here I am getting into fairly muddy water—it means it is helping the present corridors areas where there is high-speed ground transportation. In the area of the Senator from Ohio, there is not presently an Amtrak system.

Mr. COTTON. What is there in the provision that says that, because I cannot accept this amendment if it even

has those strings attached to it? Then, we run into all this difficulty.

Mr. President, I yield myself 2 minutes on the bill.

Undoubtedly, both the officials of Amtrak and the Department of Transportation will give ample consideration to those areas that are already being served. Nobody has passenger service except by Amtrak now. If the cities that are now not being served are to be treated differently, except by the wisdom, weighing the facts, and listening to the evidence, by both the Department of Transportation and Amtrak, then that does get the Senator's amendment in muddy waters.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. PELL. I yield to the Senator from Indiana.

Mr. HARTKE. The Senator from Maryland made the point, first, that this is authorizing legislation; it is not mandatory; it is permissive. Second, section 603(a), which makes loans to the corporation, makes the authority directed to the Secretary of Transportation, which is exactly the situation we had under the original Amtrak legislation. In effect, this measure authorizes funds to those areas presently being served by Amtrak or under the Secretary of Transportation's designation. There is no specific authority to increase Amtrak routes, which I think is the question the Senator from New Hampshire is raising. I think this answers the objections the Senator from New Hampshire has raised.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. HARTKE. I have no more time.

Mr. BEALL. Mr. President, I yield myself 3 minutes on the bill.

I might suggest to the Senator from Rhode Island (Mr. PELL) that he could accomodate the objections that the Senator from New Hampshire (Mr. COTTON) has expressed by a simple modification of his amendment. If he will look at page 2 of the amendment, under the definition of "urban corridor," he says:

"Urban corridor" means a densely populated area containing a series of two or more standard metropolitan statistical areas not more than five hundred miles apart connected by major routes of ground passenger transportation.

If the Senator will eliminate the words "connected by major routes of ground passenger transportation," I believe that he will then remove the cloud that hangs over the legislation as far as the distinguished Senator from New Hampshire (Mr. COTTON) is concerned, because then, in my opinion, he would not limit it to those routes currently running under the direction of Amtrak.

If the Senator will accept that amendment to his amendment, I think it would be satisfactory.

Mr. PELL. Mr. President, the amendment is acceptable, but the intent of the legislation, and the record shows it, is that it should apply in those urban corridors the Secretary of Transportation has designated where 75 percent of our people are living. If we remove the authority of the Secretary of Transportation in this regard, I think it would be an impossible bill with which to deal.

Mr. BEALL. The bill would give the Secretary of Transportation the discretion that is necessary, because it would only "authorize" him to do this.

Mr. COTTON. Mr. President, if the Senator will yield to me. The Secretary of Transportation again makes recommendations in regard to the money provided in the Senator's amendment. It is not just the Senator from Ohio (Mr. TAFT) and the Senator from Arkansas (Mr. FULBRIGHT), but I am sure that if other Senators were here, then they, too, would object to that limiting feature in the Senator's amendment.

Mr. PELL. This modification would be acceptable to me if it is acceptable to the managers of the bill.

Mr. BEALL. It is acceptable on this side of the aisle. I have not checked with the Senator from Indiana to see whether it is objectionable to him.

Mr. COTTON. Is the Senator from Indiana willing to accept the modification of the Senator from Maryland?

Mr. HARTKE. Yes; I am willing to accept that modification, and if the Senator is willing to yield back his time, we could dispose of the amendment.

The PRESIDING OFFICER. Does the Senator wish to modify the amendment?

Mr. BEALL. I wish to modify the amendment of the Senator from Rhode Island.

Mr. PELL. Mr. President, I have no objection.

The PRESIDING OFFICER. The amendment will be so modified.

Mr. PELL'S amendment, as modified, is as follows:

On page 27, immediately after line 17, insert the following new sections and redesignate section 12 as section 14:

SEC. 12. Section 102 of the Rail Passenger Service Act of 1970 is amended by striking out clause (8) and inserting in lieu thereof:

"(8) 'Urban corridor' means a densely populated area containing a series of two or more standard metropolitan statistical areas not more than five hundred miles apart."

SEC. 13. Title VI of the Rail Passenger Service Act of 1970 is amended by adding the following new sections:

"LOANS FOR URBAN CORRIDOR IMPROVEMENTS

"SEC. 603. (a) The Secretary is authorized, on such terms and conditions as he may prescribe by regulations which he may promulgate, to make loans to the Corporation for the development, improvement, and construction of rights-of-way, terminals, and vehicles to be used for intercity transportation along fixed guideways within urban corridors of the United States.

"(b) Loans made under this section shall be made in conformance with comprehensive regional transportation plans made in consultation with the Corporation, the Secretary of Transportation, and the Governors and to the extent practical, elected representatives from standard metropolitan statistical areas within the region. When allocating loans to the Corporation, the Secretary shall consider the potential revenue to be generated by the improvements planned and the numbers of passengers to be served by the improvements.

"(c) There are hereby authorized to be appropriated such amounts, not to exceed $50,000,000, as may be necessary to carry out the purposes of this section. Any sums appropriated shall be available until expended.

"GUARANTEES FOR LOANS FOR URBAN CORRIDOR IMPROVEMENT

"SEC. 604. (a) The Secretary is authorized, on such terms and conditions as he may prescribe by regulations which he may promulgate, to guarantee any lender against loss of principal or interest on securities, obligations, or loans issued to finance the development, improvement, and construction of rights-of-way, terminals, and vehicles to be used for intercity transportation along fixed guideways within urban corridors of the United States. The maturity date of such securities, obligations, or loans including all extensions and renewals thereof, shall not be later than twenty-five years from their date of issuance, and the amount of guaranteed loans outstanding at any time may not exceed $50,000,000, and the cumulative amount of guaranteed loans to be authorized shall not exceed $100,000,000.

"(b) Guarantees for loans provided under this section shall not be made unless such loans are to be made in conformance with comprehensive regional transportation plans made in consultation with the Corporation, the Secretary of Transportation, and the Governors and, to the extent practical, elected representatives from standard metropolitan statistical areas within the region. When providing such guarantees, the Secretary shall consider the potential revenue to be generated by the improvements planned and the numbers of passengers to be served by the improvements.

"(c) There are authorized to be appropriated such amounts as may be necessary to carry out this section.

Mr. BEALL. Mr. President, if I have time remaining, I am willing to yield back that time so that we can proceed to vote on the amendment of the Senator from Rhode Island (Mr. PELL).

The PRESIDING OFFICER. All time having been yielded back——

Mr. COTTON. Just a minute. I wish to yield 1 minute on the bill to the senior Senator from Vermont (Mr. AIKEN).

Mr. AIKEN. Mr. President, I have just one question. I want to know, is there anything in the bill which gives encouragement to the restoration of the passenger service between Washington and Montreal by way of New York, New Haven, Springfield, and White River Junction?

Mr. COTTON. There is $2 million in this bill for international lines.

Mr. AIKEN. But would that assure that the old service, which was the only rail passenger service between Washington and Ottawa, be restored?

Mr. COTTON. As I understand it, that is a determination to be made by the Secretary of Transportation and Amtrak. The bill simply authorizes international rail passenger service and specifies that the end points of such service shall be between the United States and Montreal, Canada; Vancouver, Canada; and Nuevo Laredo, Mexico.

Mr. AIKEN. From Boston?

Mr. COTTON. This is possible, if the Secretary of Transportation and Amtrak so determine.

Mr. AIKEN. Washington to Montreal is what I was asking about.

Mr. COTTON. In other words, the

Senator wants to be sure it goes through Vermont and not New Hampshire? If so, then I certainly cannot provide any such assurance.

Mr. AIKEN. I want to be sure it goes past Putney, Vt., and Lebanon, N.H., because that is the area which needs the service.

The PRESIDING OFFICER (Mr. BENTSEN). All time on the amendment having expired, the question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and I shall explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Fulbright's amendment is as follows:

On page 22, line 6, strike out "$270,000,000" and insert in lieu thereof "$272,000,000.".

On page 27, between lines 17 and 18, insert the following:

Sec. 12. The National Railroad Passenger Corporation shall, as soon as practicable, establish as part of the basic system provided for in the Rail Passenger Service Act of 1970 rail passenger service to the largest standard metropolitan statistical area in each State in which such area has a population in excess of 300,000 and is located on an alternate route identified by the Secretary of Transportation in his report on such basic system. Nothing in this section shall authorize the termination of any service being provided by such Corporation on the date of enactment of this section.

On page 27, line 18, strike out "Sec. 12" and insert in lieu thereof "Sec. 13".

Mr. FULBRIGHT. Mr. President, this amendment would provide financial assistance to the National Railroad Passenger Corporation (Amtrak). The purpose of my amendment is to help insure that the Railroad Passenger Corporation fulfills its mandate—to provide a basic system of rail passenger service within and between all regions of the United States.

Specifically, the amendment which I propose would require Amtrak to establish, as soon as practicable, passenger service to the largest standard metropolitan statistical area (SMSA) in each State, provided that such areas have a SMSA population of more than 300,000 and were on alternate routes in the original Basic National Rail Passenger System, as designated by the Secretary of Transportation. It is also the intention of this amendment that this service be in addition to any existing service operated by the Corporation.

This amendment would provide an additional $2 million or a total of $272 million for Amtrak. The $2 million would be for the development and operation of rail passenger services authorized by this amendment, and would be comparable to the amount included in H.R. 11417 for the development and operation of international rail passenger services between the United States and Canada and the United States and Mexico.

Mr. President, once again I would like to quote from the report of the Committee on Commerce on H.R. 11417:

The Committee discussed a suggested requirement that Amtrak provide service to the largest standard metropolitan statistical area (SMSA) in each State provided that such SMSA were located on an alternate route identified by the Secretary of Transportation in his "basic system" report. While the Committee does not feel that a statutory directive is appropriate at this time, it does believe that Amtrak should give serious consideration to providing service to all such areas. The absence of Amtrak service to Cleveland, Ohio, and Little Rock, Arkansas, is contrary to the mandate that Amtrak provide a basic system of rail passenger service within and between all regions of the United States.

I would like to express my appreciation to the chairman and members of the Committee on Commerce for their consideration of this matter and their recommendation that Amtrak give serious consideration to providing service to the Cleveland and Little Rock areas. However, it is my view that at this point in time, after Amtrak has already been in operation for 1 year, that it is necessary to include a specific directive in the law requiring that such service be provided.

As the committee report states, the absence of Amtrak service to Cleveland and Little Rock is contrary to the Corporation's mandate. I think it is imperative that we take steps to see that Amtrak does meet the purpose for which is was created, and that is the aim of this amendment.

In the final days prior to the beginning of Amtrak service on May 1, 1971, Arkansas was omitted from the Amtrak operating system, when a longer, circuitous route between Chicago and Houston was selected rather than a direct route from St. Louis through Arkansas to Texas. The route through Arkansas remains as an optional route on the basic system.

Arkansas is the largest State, with 2 million people, having no passenger service. It is also the only State, I believe, which had service until the beginning of Amtrak and lost it on May 1, 1971, with the initiation of Amtrak operations. I see no reason why the people of Arkansas, the 32d largest State, should be penalized and left without a service that could and should be increasingly important in the future.

Is it not ironic that at a time when we have spent billions to enable men to drive a buggy across the moon or walk in space that we cannot provide rail passenger service for an important segment of our population?

The total amount being requested for Amtrak would not even make a dent in the mammoth military budget. At current spending rates, the $272 million which would be provided for Amtrak is about the equivalent of the amount the Government spends in 1 day for military and military-related purposes.

The $2 million which my amendment would provide above and beyond the committee recommendation palls in comparison to the amounts we are spending on dubious foreign endeavors. This $2 million represents direct investment in and service to the American people.

We boast of a trillion-dollar gross national product, yet it is interesting to note that many of the nations whose GNP is dwarfed by ours are providing their citizenry with excellent rail and public transportation service. I think this points up not only the inadequacy of the GNP as a measurement of the state of our society, but also points out our seriously misplaced priorities.

Mr. President, as stated in the Rail Passenger Service Act of 1970—Public Law 91-518—"modern, efficient, intercity railroad passenger service is a necessary part of a balanced transportation system."

It is all too clear that we have allowed this Nation's transportation system to become imbalanced, with an overemphasis on automobile and plane travel. It is important that we begin to restore balance, and to develop a truly national rail passenger system.

Mr. President, it is fine to talk about the need to provide rail service to our very largest cities. But it seems to me to be equally important that we provide the less-heavily-populated areas of the country with the amenities and services which would enable us to ease the pressure on our heavily burdened urban areas.

As the Arkansas Industrial Development Commission stated in a resolution on this subject:

Arkansas industrial growth and the public need requires adequate, dependable passenger service in first-class passenger equipment from and to Arkansas.

The standard metropolitan statistical area of Little Rock now contains about 325,000 people. An area of such size should have passenger trains to service its growing population. The people of Little Rock and Arkansas live in the only centrally located State without any such service. As the Arkansas Gazette editorialized:

In the middle of the country, Arkansas appears on the map as a blank, the bare outlines of its borders being its only identifiable characteristics . . . Arkansas, in plain language, got a raw deal out of the initial routing . . .

As I noted earlier, H.R. 11417 includes a provision for $2 million for development of passenger services between the United States and Canada and the United States and Mexico. The reopening of service to Mexico offers an opportunity to include service through Arkansas on the route of the Missouri Pacific Railroad from St. Louis to Texas. That is the way it used to be until Amtrak came along. As an example, service from Milwaukee and Chicago could be routed via St. Louis, Little Rock, Texarkana, and through various Texas points to Nuevo Laredo. This would be essentially the same route as that formerly served by the Texas Eagle.

Mr. President, I believe the people of

Arkansas, like those in other States, are entitled to a high-quality, reliable, and efficient passenger service. There can be no fair test of profitability and utilization until the people are provided such service.

I strongly urge passage of this amendment. I believe it will be an important step in realizing the purpose for which Amtrak was created—a truly national rail passenger service as part of a balanced transportation system.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. There is not a sufficient second.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, I yield to the distinguished chairman of the full committee.

Mr. MAGNUSON. Mr. President, I think it appropriate to make some rather general observations about the committee's attitude toward Amtrak and the rail service being provided under its aegis. Very simply, I would describe the committee's action as solidly supporting the concept represented by the quasi-public corporation's provision of rail passenger service. At the same time, the committee has expressed its strong reservations about Amtrak's method of operation.

When Congress initially authorized the establishment of the Amtrak Corporation, I think it was quite clear that what we had in mind was in effect bringing in new management of rail passenger service to replace the railroad management which was either unable or unwilling to provide high quality rail passenger service consistent with the needs of the traveling public. Frankly, I think it must be said that many of us are not satisfied that the new management has shown itself to be much of an improvement thus far.

Out in the State of Washington, we have a perfect example it seems to me, of obstacles to improve rail service. Amtrak is considering reducing service between Seattle and Portland. It is true that the service between these two cities contributed significantly to Amtrak losses. Revenue has represented only about 30 percent of expenses for this particular route. I would hasten to point out that the following routes have done about as poorly or worse: The New York to Buffalo; Chicago to Detroit; New York to Springfield; Chicago to Milwaukee; Newport News to Cincinnati; Chicago to Florida; New York to St. Louis; and San Diego to Los Angeles. Some of these routes would seem to have the potential for doing much better than in the past.

But here are the problems. First the trains are slow—not traveling much faster than they did some 40 to 50 years ago and sometimes slower. The average speed between Seattle and Portland for example is only 50 miles per hour. As the chart in the appendix attached to the committee's report at page 66 indicates, there does seem to be a definite correlation between speed and ridership. Second, there has been no experimentation with fares in the Seattle-Portland corridor.

Third, there has been nothing done to improve equipment in that corridor. Fourth, it has proved to be extremely difficult to obtain information about service available, or to obtain a confirmed reservation. And, lastly if all these things had been done, based on Amtrak's performance to date, it is doubtful that anyone in the area would be aware of any improvements for the simple reason that Amtrak's advertisements and promotions for this route have been practically nothing.

In other words, practically no one in the area is aware of what train service is available. But the even more unfortunate thing is that if they were aware of it they probably would not take advantage of the service because it is too slow, too expensive, and too hard to utilize.

In addition, while on the one hand Amtrak's executives talk about the importance of corridor service to provide the revenue to sustain the Amtrak system, the information developed from Amtrak operation figures set forth in page 65 of the committee report shows that actually only the New York to Washington corridor is consistently doing well and that many long distance runs are doing much better than corridors with, given the official Amtrak attitude, absolutely no advertising effort whatsoever, for the longer hauls. The real reason for this appears to be that corridors are very time sensitive and Amtrak has done nothing to reduce time or increase speeds in most of the corridors in the country.

Indeed, paradoxically in the Seattle-Portland area it has been proposed by Amtrak that local service between Seattle and Portland be curtailed and long-haul service from Seattle to Los Angeles be increased so as to provide daily midday service between those two cities. What this means is that Amtrak, at least on the west coast, apparently sees a greater future for the long haul than they do for the short haul in contrast to their many public comments to the contrary.

I have used this example of the Seattle to Portland because it is a situation with which I am most familiar and because it points up well the dilemma which confronted the committee in considering the proposed amendments to the Amtrak legislation.

On the one hand the committee is not happy with Amtrak's performance to date; on the other, we feel that the concept must continue to receive substantial congressional support. That is why the committee, with all its reservations, has supported additional funds for Amtrak. We are still hopeful that the legislation will produce a greater effort by Amtrak and we have given Amtrak more tools with which to do its job. I should point out that the $270 million in grants authorized by the committee is not a figure grabbed from thin air. Some months ago prior to the time that the administration formally requested $170 million for direct grants, I was informed that Amtrak had requested from the Office of Management and Budget a figure which had been reduced to $260 million. The legislation which finally came to us was restricted even further. The committee feels that with additional funding, with clarification of Amtrak authority to use tracks and facilities, with a closer definition of Amtrak's labor protection responsibility, and by avoiding the requirement that Amtrak pay for pass privileges that Amtrak should be able to perform much more in keeping with the original congressional mandate.

I urge that the Senate approve the committee reported Amtrak legislation.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Ohio.

Mr. TAFT. Mr. President, I am pleased to join as a cosponsor of this amendment to provide Amtrak service to large metropolitan areas not now served by the Amtrak system. I particularly want to observe the importance of this amendment to the State of Ohio. Cleveland used to be one of America's great rail passenger centers and is now the largest city in the United States without any intercity rail passenger service. The absence of Cleveland from this system, in my judgment, contravenes the purpose of the Rail Passenger Service Act of 1970.

I might say that this is an observation that I have made with regard to the Amtrak program and legislation from the very outset. When the legislation was first passed, Cleveland was not included in the basic surface system; and it seems to me inconceivable that a city of this size, with a population corridor of the type we have, with the large amount of industrial development connected with it, on the way to Detroit and to Chicago, does not have such service.

I have requested the distinguished Senator from Arkansas (Mr. FULBRIGHT) to include in his amendment the provision that this amendment shall not authorize the termination of any existing service. I am pleased that he has done so. This provision will prevent Amtrak from merely rerouting the Broadway Limited through Cleveland. The Broadway Limited presently is serving from New York to Chicago and goes through Canton, Ohio. Such a rerouting would provide Cleveland with rail passenger service at 3:36 in the morning, which is hardly the type of service which the people of Cleveland desire.

I want to make it clear that I intend this amendment to result in an additional daily train between Chicago and Washington, passing through South Bend, Toledo, Cleveland, Youngstown, Pitts-

burgh, and Cumberland. I have spoken with representatives of the Greater Cleveland Growth Association who concur with me that this route would serve more people than the route between Chicago and Buffalo, which was taken up under section 403(b) for a period by Amtrak but has since been discontinued. The Chicago, Washington route which I have described would not only serve major population centers, but would provide the only rail route to Florida for people in northern Ohio and northern Indiana.

If the Amtrak system is to be successful, it must not only provide good equipment but in addition it must connect major cities to attract riders. The route, which I have described would be an important connecter to major population areas. I believe that it was a grave mistake not to provide such service initially.

The people of the States of Ohio, Indiana, Pennsylvania, New York, and Maryland should not have to use State funds to provide service which is available in other parts of the country entirely at Federal expense. I particularly refer to the use of section 403(b) to finance the now discontinued Amtrak route from Buffalo through Cleveland to Chicago which was not a very widely used route and did not provide on its schedules the type of corridor transportation service that I think Amtrak will have to provide.

Section 403(b), on the other hand, is designed for an entirely different purpose from that for which it was used by Amtrak. Section 403(b) provides two-thirds financing for needed rail service to bolster the economy in a spur line situation, where a city is not on a major transportation corridor.

That should not be financed by the general fund. But this line should be financed by the general fund, and that is what we are attempting to do.

The cities of Cleveland, Toledo, and Youngstown are entitled to rail passenger service and I hope that my colleagues will join in supporting this amendment which is of such importance to this area of the country.

I have listened with great interest to the statements made here today, that we should not tie the hands of Amtrak; that in order to make this experiment work, we ought to leave the broadest discretion in the choice of these routes. We gave them that discretion, and what did they do? They financed Cleveland service through the section 403(b) process. They have not improved the service. They have not improved the equipment.

I commend the chairman and the committee for reporting the basic bill. I am going to support it, because it would vastly increase the financing of Amtrak. It was openly apparent from the beginning that there was no chance that the financing provided was going to be adequate even to start doing the job.

The Senate committee has gone quite a way, and I hope the Senate will go quite a way in approving that financing. But let us talk about practicalities. Let us talk about where people are going to ride trains on short hauls and in transportation corridors where they are competitive with airline times. Let us not talk about maintaining long-range overnight lines between such areas as New York and Chicago and then say we are serving some areas in between, by the fact that the trains have to go through those States.

The amendment is necessary, and I think it is sound. To provide a minimum amount that must be allocated to individual States and somehow allow the present system, no matter how wise the officials of Amtrak may be, to discriminate against particular areas of this country spells the doom of Amtrak. I am not going to vote for it again, if that occurs.

Mr. FULBRIGHT. I yield 3 additional minutes to the Senator from Ohio.

Mr. TAFT. I think the Senator for yielding me that time, but I have completed my remarks.

Mr. HARTKE. Mr. President——

The PRESIDING OFFICER (Mr. STEVENSON). The Senator from Indiana has 2 minutes remaining.

Mr. HARTKE. Mr. President, I yield myself such time as I may require, to say that this question is one which has been discussed previously on the floor. What the amendment would do would be to require Amtrak to add the following cities to its service: Cleveland, Ohio, and Little Rock, Ark. In the report we took cognizance of the fact that the two communities have been omitted from the Amtrak system. I understand that the reason given for omitting Cleveland was that the terminal facilities there make it too expensive so that they could not keep it operating. At the same time, however, it is one of the major metropolitan areas of the country and, therefore, such an omission is difficult to understand.

As to Little Rock, Ark., my understanding is that the decision was made that another route was decided upon which would be less expensive and, therefore, that State was omitted. However, other sections of the Nation were also omitted.

The difficulty with legislating routes on the floor of the Senate is that there is no way to stop, once we begin to open the door. Then, every Senator will feel obligated to try and have included every city in his State or to include at least some of the favorites in his State.

This authority was given to the Department of Transportation. It made that decision. There is no obligation or any reason why that route cannot be extended or changed by the Department of Transportation. My judgment is that when we start legislating routes on the floor of the Senate, we will be taking on a task the solution of which cannot be judged on its merits.

Mr. FULBRIGHT. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield.

Mr. FULBRIGHT. I do not understand that kind of attitude, the acceptance of the infallibility of Amtrak officials. With respect to this particular route I am speaking of, before we had Amtrak, the people who ran the private enterprise system, specifically, the Missouri Pacific, had this route through Arkansas. It was the most efficient and direct route from the center of the country to Chicago, St. Louis, and on to Dallas and then on into Mexico. This is an old route. It was standard transportation through Little Rock.

The Senator from Indiana said that Senators would want routes through their favorite cities. I am not asking favors for my city or any other city. In the case of Arkansas—the only case I know of—there may be others—we had a route established during the pre-Amtrak period and now under Amtrak we have nothing.

I cannot agree with those who say that Congress has no capacity to make discriminating judgments on things, and that this is not what Congress really is for. What has happened is that a bureaucracy has come in and destroyed the system, dropping the route which from long practice was acknowledged to be the best, the most efficient, and the most direct. Surely the Senator is not suggesting that we should never question the judgment of a bureaucracy.

All the Senator from Ohio and I are saying is that they have made a mistake in these two cases. I do not think one should say that Congress should not question whatever Amtrak officials say. There is a lot they do not know about this country.

Mr. HARTKE. I would agree with the Senator from Arkansas. But I should point out that Arkansas was not the only State omitted. Vermont, Maine, New Hampshire——

Mr. FULBRIGHT. They did not have service when Amtrak came in.

Mr. HARTKE. South Dakota had it and——

Mr. FULBRIGHT. Many places in New England did not have it before. In Arkansas, we did have service and Amtrak took it away.

Mr. HARTKE. There is no question, there were many services taken away. Service to many communities was eliminated. What I am going to say, and repeat here, is that in the bill we wanted to avoid legislating an answer, but in the report we have stated we recognize that Amtrak should give consideration not only to these communities but also to other communities. The fact still remains that, once we open the door, I can assure the Senator, in good conscience, there will be many people who will want us to change things around.

As to the question of bureaucracy, I question bureaucracy, I question Amtrak. In my opening remarks, I question the whole operation, except it is still true that the legislature cannot administer. The legislature is not an administrative body. That is exactly what you are attempting to do here, to make a decision of administration which has been left to Amtrak. Hopefully, Amtrak will make some corrections.

I point out that, if it were just merely including the two cities, I would find no great difficulty in doing so. But I could say, equally as well, that other Senators would present their arguments and I would find very little difficulty with them,

that they should be included, too. It was estimated by Amtrak that, if we included both——

Mr. FULBRIGHT. Two million dollars——

Mr. HARTKE. Approximately 2 million over 2 years, I believe; yes.

Mr. TAFT. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield.

Mr. TAFT. I noted the remark the Senator from Indiana made about the terminal facilities in Cleveland and I want to correct the impression he has about this. That question was discussed thoroughly. While the cost of running the terminal was high, there was no requirement on the part of Amtrak to continue to use it. There is another route which could be used as a temporary facility, to be put at the waterfront.

Mr. HARTKE. I do not dispute what the Senator from Ohio says. I only gave the explanation that was given to me when I asked Amtrak why Cleveland was not included. There may have been other reasons. I was shocked myself when I found that Cleveland was left out.

Mr. FULBRIGHT. The Senator stated that this amendment would open the door. Let me say that Arkansas has a greater population than all of the States the Senator has mentioned put together.

Arkansas is in a unique situation. In the first place, it is the 32d largest State in the Union. It had this service prior to Amtrak. We have allowed this unregulated authority to take away from Arkansas a service which he had. Arkansas does have a population greater than all the other States the Senator talked about.

Mr. BEALL. Mr. President, will the Senator from Indiana yield?

Mr. HARTKE. I yield.

Mr. BEALL. I rise to support the position of the distinguished chairman of our Subcommittee on Surface Transportation (Mr. HARTKE) with regard to this amendment. We are all sympathetic to the desires stressed by the Senator from Arkansas (Mr. FULBRIGHT). I know, for instance, in the town where I live, that I used to be able to get on a train and in 3 hours arrive in Washington. The train ran 3 times a day. There once were three such trains running, but now we only have an experimental train that may not run much into the future.

I do not agree with the Amtrak decision when they established many of the routes. If I had been asked, I would have picked out other locations that would have been more profitable. But the point is, I think, that when Congress passed the bill, it decided it was going to experiment. It was experimenting with the Corporation to run a rail passenger service until June 30 of 1973. Congress said to the Corporation, "We want you to establish some routes for rail passenger service and see if they can be made profitable." It established a procedure under which the routes would be established and Amtrak followed that procedure, establishing the routes.

The procedure further provided that the basic system, which was established last year, would be reviewed by the Interstate Commerce Commission, the State Commissions, the representatives of the railroads, and duly authorized labor organizations. The Secretary of Transportation was required to consider all their comments. Then, the Secretary was required to submit a final report to Congress. Once sent to Congress, the system was established and Congress said, "You cannot even review this system in court." What we are doing now is changing horses in midstream, if you will, Mr. President. And, we are saying that we are going to try to change the experiment.

I would respectfully suggest to the Senator from Arkansas that this is not the time to agree to his amendment. The time to agree to his amendment would be when we review the basic system sometime next year, prior to July 1, 1973, at which time we, in Congress, will have to decide whether this experiment has been successful. Then we have to make such basic decision as to whether we are going to continue the Amtrak system, nationalize rail passenger service, or whether the Congress is going to set the routes.

If we make that decision today, we will not be able to make a rational decision in 1973.

Mr. FULBRIGHT. Mr. President, this is the first time we have been able to offer amendments to the legislation since Amtrak was set up. It never occurred to me or to anyone else that they would act as they did in this case. One of the reasons it may not have been more profitable is the lack of wisdom shown in the choice of routes, as the Senator said. I am not at all sure that the Senate's views might not have been better.

Mr. BEALL. Congress said when it passed the act and established Amtrak, "We want you to do this until July 1, 1973. Then we will review your action, and not before."

Mr. FULBRIGHT. This is the first time since we had the bill passed that we could make suggestions. The committee, in this legislation, has already authorized two routes that go outside of the country. If this is such an inviolable principle, why did the committee establish a route going to Canada? I do not know how the committee can say there should be no legislation on specific routes when this bill specifically mentions routes to Canada and Mexico. You are not applying the principle consistently.

I submit that it is the job of Congress to review its own creations to see whether it acted properly. We do it with respect to every other agency. If we do not, we get into trouble.

I suggest that lack of attention to this kind of a detail—which is very important to the particular communities involved here—could be one of the explanations of why Amtrak is not more successful. We certainly deserve service in a State that is important in size and population. Arkansas is also unique in the sense that there was a major route before Amtrak came along and abolished it. That raised some question as to whether they understood the railroad business.

Mr. President, I yield back the reminder of my time.

Mr. TAFT. Mr. President, I was particularly interested in the remarks of the Senator from Maryland with respect to the assessment we will have to make in 1973 as to whether we should continue the program. Indeed, that is an assessment that we will have to make.

I reconfirm what I told the Senator a short time ago on the floor. If we cannot provide service to a county with 1.7 million people that is on a main transportation line, a main corridor, then I do not think I will have the information that I will need to determine whether to continue the service. I think it makes it absolutely vital that we tell them they have to serve this area so that we will have some basis on which to make a judgment.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Arkansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), the Senator from Washington (Mr. JACKSON), and the Senator from Georgia (Mr. GAMBRELL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Colorado (Mr. ALLOTT) is detained on official business.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

The result was announced—yeas 27, nays 54, as follows:

[No. 156 Leg.]

YEAS—27

Aiken	Eagleton	Nelson
Bayh	Eastland	Randolph
Bentsen	Fulbright	Saxbe
Byrd, Robert C.	Hughes	Stennis
Case	Javits	Stevenson
Chiles	Kennedy	Symington
Church	Mathias	Taft
Cooper	McGee	Tower
Cranston	Mondale	Williams

NAYS—54

Allen	Dominick	Packwood
Anderson	Ellender	Pearson
Baker	Ervin	Pell
Beall	Fannin	Percy
Bellmon	Fong	Proxmire
Bennett	Griffin	Ribicoff
Bible	Gurney	Roth
Boggs	Hansen	Schweiker
Brock	Hartke	Smith
Brooke	Hollings	Spong
Buckley	Hruska	Stafford
Burdick	Inouye	Stevens
Byrd, Harry F., Jr.	Jordan, Idaho	Talmadge
Cannon	Magnuson	Thurmond
Cook	McIntyre	Tunney
Cotton	Metcalf	Weicker
Curtis	Miller	Young
Dole	Montoya	
	Moss	

NOT VOTING—19

Allott	Humphrey	Mundt
Gambrell	Jackson	Muskie
Goldwater	Jordan, N.C.	Pastore
Gravel	Long	Scott
Harris	Mansfield	Sparkman
Hart	McClellan	
Hatfield	McGovern	

So Mr. FULBRIGHT's amendment was rejected.

Mr. HARTKE. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, I yield myself time on the bill.

It is my understanding that there is one other amendment to be offered, by the Senator from Massachusetts (Mr. BROOKE), and I understand we will be on final passage within a very few minutes.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. BROOKE. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 18, immediaely following line 19, add the following section 7, and renumber the succeeding sections accordingly:

Sec. 7. Section 403 (a) is amended to read as follows:

The Corporation may provide intercity rail passenger service in excess of that prescribed for the basic system, either within or outside the basic system, where the Corporation, based on its own or available marketing studies or other similar reports or information, determines that experimental or expanded service would be justified, if consistent with prudent management. In determining the establishment of the additional routes, the Corporation shall take into account the current and the estimated future population and economic conditions of the points to be served, the adequacy of alternative modes of transportation available to those points, and the cost of adding the service. The Corporation shall cooperate with state, regional, and local agencies to encourage the use of trains established under this subsection and shall make reasonable efforts to assure high quality of customer services. Any intercity rail passenger service provided under this subsection for a continuous period of two years shall be designated by the Secretary as a part of the basic system.

On page 23, immediately following line 20, add the following subsection:

(c) There is authorized to be appropriated to the Secretary $15,000,000 to remain available until expended for payment to the Corporation for the purpose of assisting in the development of rail passenger service in accordance with subsection 403 (a) of this Act.

Mr. BROOKE. Mr. President, I wish to commend the Commerce Committee and its distinguished chairman (Mr. MAGNUSON), and the ranking minority member (Mr. COTTON) for their wise and far-reaching amendments to the Rail Passenger Service Act of 1970. The committee has performed an admirable job of meeting the Nation's rail passenger needs, within the constraints of Federal fiscal demands and the deterioration that has marked the quality and quantity of passenger train service during the past decade.

The Amtrak experiment has not yet proved to be a financial success. But it has shown promise, and I firmly believe that the continuation of the program is worthy of the Nation's further investment. At a time when the Federal Government spends $5 billion a year on highway construction and $2 billion a year on airport and airway facilities, it is certainly not an extravagance to authorize $270 million for development of passenger train service, a mode of transportation that has for too long been neglected by government, business, and the public alike.

The result of this neglect is all too obvious. While passengers on highways and airways across the Nation regularly encounter congestion and delay, particularly in highly populated urban areas, the development of railways as an alternate mode of transport has been practically nonexistent. Old lines have been inadequately maintained; schedules have not been met; and rail transport has fallen into wide disfavor.

Yet this situation need not exist. The thoughtful and constructive report of the northeast corridor transportation project in the Department of Transportation made a point that aptly applies to many areas throughout the country:

The rail mode is the only uncongested mode in the Corridor and thus has the capacity to handle large numbers of travelers who now travel on the congested airways and the highways. Presently, some diversion of passengers to rail is indicated by the on-board passenger surveys taken on the Metroliners. There is indication that nominal air-rail door-to-door time differences in favor of air between some city pairs in the Corridor are compensated, in the traveler's mind, by the phenomenal on-time record (reliability factor) and the assumed better safety record of the high speed trains. This suggests that convenient and frequent departures together with fares lower than airlines would result in substantial patronage gains for rail over the next years.

I agree with the thrust of this DOT report that passenger rail service must play an important part in our Nation's overall transportation network. The proof of the popular demand for quality service is demonstrated by the overwhelming success of the Metroliner, which makes a handsome profit on its 14 round trips each day from Washington to New York. The marked upswing of more than 30 percent in ridership from Boston to New York in 1972, documented in the committee report, is further evidence of the fact that people will ride the trains if pleasant accommodations and efficient service are provided.

Amtrak must concentrate the bulk of its assets and attention at the present time to the continuance and improvement of service along the traditional routes which comprise its "basic system." But Amtrak should also devote some of its resources to the development of service between points which are not currently included in the basic system but which show evidence of large potential ridership. If Congress is to commit itself to the Amtrak experiment, and I believe that this bill is compelling evidence of such a commitment, then we must give to Amtrak officials a clear mandate to undertake experimentation and the development of new routes of service.

The amendment which I introduce today would amend the existing section 403(a) which deals with "new service" in order to clarify the intent of Congress concerning use of Amtrak funds for experimental or expanded service. The amendment requires that, in establishing the additional routes, Amtrak officials take into account the current and the estimated future population and economic conditions of the points to be served, the adequacy of alternative modes of transportation available to those points, and the cost of adding the service.

In addition, the amendment authorizes an additional $15 million to be spent solely for the purpose of this section. I am aware of only two routes which are currently receiving funds under this section: the route from Fargo, N. Dak., through southern Montana to Spokane, Wash., and the route from Washington, D.C., to Parkersburg, W. Va.

Without in any sense attempting to prejudge the validity of either of those lines, I would submit that there are many other sections of the country—urban and rural—which have a significant potential ridership but which currently are not granted Amtrak service. The committee report refers to the absence of Cleveland, Ohio and Little Rock, Ark. as contrary to the mandate that Amtrak provide a basic system of rail passenger service within and between all regions of the United States.

There are two other lines over which passenger service is now being operated with two-thirds State subsidy and a one-third contribution from Amtrak in conjunction with section 403(b) of the act. These are the lines from Chicago to Rockford, Ill., and Boston to Springfield, Mass. Although this amendment is not an attempt solely to require a greater Amtrak commitment to that route, I am particularly familiar with the Boston-Springfield route and I believe that a brief review of the facts of that case would be instructive as an example of what Amtrak could and should be doing not only on that route but along several other routes across the Nation.

When the routes for the Amtrak system were determined in April of 1971, no through service from Boston to New York via Worcester, Springfield, and Hartford was provided. Service was continued from Springfield to New Haven but there were no trains to tie together the three largest cities of Massachusetts—Springfield, Worcester, and Boston. These cities lie on an east-west axis approximately 100 miles apart, and there is considerable business and pleasure travel among the

three cities along the increasingly congested Massachusetts Turnpike. Interstate Highway I–90.

When the Amtrak bill was passed, the Massachusetts Legislature quickly approved legislation to qualify the State for participation in the 403(b) program. Service has operated along the line since May 17, 1971, with one round trip train per day from Boston to Springfield and connecting service to New York and Washington. It has not been well-promoted, however, and customers often find it difficult to get timetable information or to purchase tickets; understandably, therefore, it has operated at a deficit of approximately $200,000 during its first 8 months. Two-thirds of this deficit is owed by Massachusetts.

More than a million people live in the Springfield-Worcester area; nearly a million more people live in the Hartford area. Figures on highway and air traffic present a clear and convincing case for regular train service between these cities to Boston as well as New York and other points to the south. The cost to Amtrak of regular service along this route need not exceed $1 million. And, I am sure many of my colleagues would agree that similar limited sums could be well-spent in providing transportation to accelerate economic growth in other parts of the country.

Thus, the intent of this amendment is to provide a mandate to Amtrak officials to undertake service beyond that currently operating. A prime purpose of this experimentation would be to examine alternative routes for train service during the rest of this century. To a large degree, Amtrak has been forced to operate along the routes which had the greatest market potential a generation or even two generations ago. But, demographic statistics make clear that population centers are changing. In large numbers, people are moving away from the great port cities which served as trading centers in our country decades ago. They are moving inland or upstream and, as a result, new transportation routes must be developed.

In some areas, highways have met this need and will continue to do so. But, different areas demand different solutions and the highway that may be conveniently located in one city may cause a major disruption in the economy and living conditions of another city. Yet both cities may have an existing but unused right-of-way for rail service. This is the type of situation to which State and local planners are increasingly turning their attention. And Congress should be encouraging such experiments through the Amtrak structure.

This amendment directs Amtrak to assist State and local governments which can demonstrate the case for experimental or expanded service. It is an additional aspect of rail passenger service on which I believe Amtrak should focus. I urge my colleagues to adopt this amendment so that the Amtrak officials will be able to move creatively in this new direction along the route to improve rail passenger service throughout America.

Mr. President, I ask unanimous consent to add the name of my colleague from Massachusetts (Mr. KENNEDY) as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am pleased to join with Senator BROOKE in providing for an increase in funds of $15 million to permit Amtrak to improve or expand intercity service in critical areas outside the basic system.

There is an obvious need for experimental routes to be tested in operation by Amtrak in an effort to build a truly national rail passenger network.

But more important than the experimental lines is the maintenance and improvement of such provisional routes as the Boston-Worcester-Springfield route.

Originally excluded from the basic system, this route was added last May and operates a round trip daily from Boston to Washington. The Commonwealth of Massachusetts now provides $175,000 to help defray the costs of this line.

This amendment now will permit the addition of this route, and others like it to the basic system, after 2 years of efficient continuous operation.

The area of Massachusetts covered by this route in one of the fastest growing in the State. And its 2 million population requires the operation of high-speed ground transportation as part of its growing economy.

Now, I believe this amendment will insure that in the future this route, which clearly is a vital link within the transportation system of the State, will be incorporated into the normal operation of Amtrak.

Also, the amendment will provide to Amtrak the necessary flexibility to provide growing population sections with passenger service on an experimental basis so that the costs and benefits can be tested under actual operating conditions.

I believe this amendment adds to the likelihood that Amtrak can become an effective national rail passenger system and I urge its adoption.

Mr. HARTKE. Mr. President, the amendment of the Senator from Massachusetts basically is in line with the general, overall concepts and the idea that we had envisioned when we put Amtrak into operation—that is, that it was to experiment and we were specifically providing the money for doing so.

I compliment the Senator from Massachusetts for his concern in this matter. He has had a long-standing interest in providing transportation not only to his area but to the whole Nation.

Under the circumstances, we are prepared to accept the amendment.

Mr. BEALL. Mr. President, speaking for the minority, I am aware that the Senator from Massachusetts represents a State with a great need for surface transportation. It is a section of the country where there is a concentration of population with a need for this kind of transportation. He has continually expressed concern in this regard.

As the chairman of the subcommittee has said, the amendment is in overall keeping with the purpose of Amtrak, which is to see if we cannot improve the way in which people are moved about in this country. I believe his amendment is totally in line with the purposes of the legislation. I think I can speak for this side in saying we accept the amendment.

Mr. BROOKE. Mr. President, I am very greatful to the chairman of the subcommittee and the Senator from Maryland for seeing fit to accept this amendment and take it to conference.

Mr. CRANSTON. Mr. President, I rise to record my support for the amendment offered by the Senator from Massachusetts (Mr. BROOKE), which authorizes an additional $15 million for the purpose of developing experimental and expanded rail passenger service in addition to that prescribed for the basic Amtrak system.

This amendment is important in that it provides an opportunity for the inclusion of several rail passenger routes that were left out of the initial Amtrak system. One such omission is that of the San Joaquin Valley route between Los Angeles and San Francisco. This amendment would make it possible for the Corporation to reconsider its previous decision not to include this important valley route in the basic system. I strongly urge the Corporation to do so.

I recommend this action for essentially the same reasons that Senator Tunney and I introduced S. 2341 last July. This bill would require the inclusion of rail passenger service through the San Joaquin Valley in the Amtrak system. This valley route would be in addition to the coastal route already included in the basic system. As I said on July 24, 1971:

> I fully agree that the coastal route is totally justified for inclusion. It is 2 hours faster, and thus the shortest route between the two terminal cities, Los Angeles and San Francisco. Further, it is a notably scenic route.
>
> But the area between these two terminals justifies two alternative routes. Between the southern California mountain ranges and the San Francisco Bay area, the coastal route services only one city with a population in excess of 50,000—Salinas, population 58,896. The valley route between the southern mountains and the Bay area serves four cities above 50,000. Bakersfield, 69,515; Fresno, 165,972; Modesto, 61,712; and Stockton 107,644.

I also pointed out in my remarks last July that the San Joaquin Valley serves as the gateway to the Sierras. This grand and majestic mountain range—with its three national parks—is visited by millions of citizens each year. An improved and modern rail system would provide an important service to the ever-increasing stream of visitors to the grandeur of the Sierras.

Mr. President, I believe that there is much merit to this pending amendment, and, if it is passed, I hope that the Corporation will agree with me that there is much merit in providing alternative rail passenger service through California's San Joaquin Valley.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. BROOKE. I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Indiana yield back his time?

Mr. HARTKE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. STEVENSON). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments——

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on April 24, 1972, the President had approved and signed the act (S. 3054) to amend the Manpower Development and Training Act of 1962.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. STEVENSON) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Indiana yield me 1 minute?

Mr. HARTKE. I yield.

Mr. ROBERT C. BYRD. Mr. President, may I say that the Senate today is confronted with a very long day. Another difficult bill will follow final passage of the Amtrak bill. On that bill—S. 652—several amendments are expected. There is a time limitation of 2 hours on each of two amendments, and one on which there is 1 hour. There will be several rollcall votes during the afternoon.

The Senate can anticipate being in session late—until 8 or 9 o'clock tonight—if there are good possibilities of having final action on that bill—the truth in billing practices bill. If final action on that bill occurs today, there will be no votes tomorrow, but the Senate will be in session tomorrow, and will proceed to the consideration of the USIA-State authorization bill tomorrow, with general debate thereon.

However, if the Senate does not complete the truth in billing practices bill this afternoon, that will spill over until tomorrow, thus necessitating rollcall votes on tomorrow.

I take the floor at this time, therefore, to express the hope that we can move forward as expeditiously as possible with third reading and passage of the Amtrak bill. It is my understanding that the Senate is now awaiting the arrival of a Senator to come to the floor to offer an amendment to the pending bill or to make a statement, and certainly every opportunity is going to be afforded that Senator in order to accommodate him.

I merely take the floor at this time to urge that the cloakroom try to get in touch with the Senator so that the Senate can move forward with final action on the pending bill and get on with action on the next bill, which is going to be a very controversial and difficult one.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF THE RAIL PASSENGER SERVICE ACT OF 1970

The Senate continued with the consideration of the bill (H.R. 11417) to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation for the purpose of purchasing railroad equipment, and for other purposes.

Mr. ROTH. Mr. President, I rise in support of H.R. 11417 as reported by the Senate Commerce Committee. This bill will enable the National Railroad Passenger Corporation to continue operations by providing additional funding.

In October 1970, the President signed into law the Rail Passenger Service Act which established the Corporation. In puting the language of the 1970 act together, Congress admittedly was breaking new ground. The Corporation was given the task of providing a rail passenger service over the basic system established by the Secretary of Transportation. But it is obvious that we did not provide the Corporation with sufficient funds to fulfill its responsibilities. After all, the nationwide rail passenger service prior to the organization of Amtrak was being operated by the railroads at a deficit estimated by various sources at over $200 million a year.

The Senate Commerce Committee, after careful review of the financial problem and statutory responsibilities of the Railroad Passenger Corporation, recommended an authorization for their operation which exceeded that of the House. I believe that the funds provided in the Senate recommendation are fully warranted. The Corporation faces a substantial capital expenditures program to provide a foundation of rolling stock on which to begin building its service. It must acquire the most promising 1,200 passenger cars from the existing fleet, as well as a supply of new locomotives.

Moreover, it must strive to improve service, including the introduction of innovations such as valet parking and the purchase of tickets using credit cards. And it must give thought to longer-range improvements such as faster, more modern, more comfortable trains.

Above all, the passage of this bill will assure the continuance of this program of maintaining a basic structure of railroad passenger service in the United States. This is most important because I am certain the day will come when travel by rail generally will be more prevalent than it is today.

Mr. President, in commenting on railroad passenger service, may I say, with due modesty, that I speak from personal experience, not just from what I read. I am a very frequent user of Amtrak's Metroliner between here and Wilmington. I find it excellent service, and would not hesitate to recommend it. Furthermore, the Metroliner service is being further improved by the addition of more trains. Metroliner is establishing a pattern which can provide a standard of service for future rail service in other areas of the country, particularly other population corridors.

Amtrak is important to my State, Delaware, not only for the passenger service it makes available, but also for the employment it provides within the State.

And, on the subject of employment, I am in full accord with section 8 of the bill, which provides for free or reduced-rate transportation service to railroad employees eligible to receive such services. This provision also includes retired employees and dependents of employees. This is a time-honored practice of providing passes to rail workers, which I feel should be continued. The bill provides for the reimbursement of Amtrak by the railroads for any costs incurred.

Senator BOGGS and I introduced legislation which would accomplish this matter of providing free or reduced-rate passes to railroad employees. I am gratified that the committee saw fit to incorporate this in its recommended bill.

Mr. President, passage of H.R. 11417, as recommended by the Senate Commerce Committee, is essential to the continuation of railroad passenger service in this country. I shall vote for it and urge its support by all my fellow Senators.

Mr. BOGGS. Mr. President, I am delighted that the Amtrak legislation, H.R. 11417, is being considered on the Senate floor. It seemed to me at the time the original legislation creating Amtrak was signed into law that this quasi-public corporation was the only real solution to the problems of rail passenger service available to us. I supported the concept then and I continue to do so now.

As we all recognized, Amtrak would undoubtedly require additional legislation after the organization had had some time to function. The pending legislation authorizes additional funds to see that Amtrak continues to operate. I am confident that once it has had sufficient time to function, it will prove that we have made a wise decision.

On February 7, Mr. President, four of our colleagues, Senator ROTH, Senator COOPER, Senator RANDOLPH, Senator PERCY and I introduced a bill, S. 3131. This bill required that Amtrak recognize the rights to free or reduced-fare passes to retired employees of the railroads. I was very grateful, indeed, that those four Senators joined me in that effort. Their help and support have certainly contributed greatly to success in having this amendment included in the bill. The entire substance of that bill, S. 3131, which we initially presented to the Senate, is contained in the bill which the committee has reported to the floor, H.R. 11417.

Specifically, Mr. President, I want to address myself to section 8 of the pending bill which contains the substance of an amendment which I introduced and which the committee very kindly agreed to consider. My amendment was originally offered to the Senate version of this legislation, S. 2760. Now, the committee version, as I understand it, has been substituted for the language of the House-passed bill, H.R. 11417.

Mr. President, section 8 of this bill makes provision for continuation of the rights to free or reduced-fare passes which railroad employees and retirees possessed prior to the advent of Amtrak on May 1, 1971. These railroad passes had for many, many years been a part of what railroad people came to regard as their compensation for service. Summarily, however, these rights were terminated when Amtrak went into business. I recognize there are pro and con arguments with respect to the continuation of these rights, but I am exceptionally pleased that the Commerce Committee weighed these arguments and then decided to incorporate my amendment in this bill.

The amendment which I proposed is essentially the same as the language in section 6 of the bill as it was passed by the House. I requested that the Commerce Committee consider, and it did include in this bill the language which would include railroad employees on furlough and/or leave of absence among those who would be entitled to the use of passes.

Mr. President, I am confident that the Senate will, in its wisdom, retain section 8 in the bill. I certainly commend its provisions to each Member of the Senate, and I am sure each of us will be quite satisfied that he has done a service for employees and retirees of the Nation's railroads.

Mr. President, I want especially at this time to thank the Commerce Committee chairman, Senator MAGNUSON, and the ranking minority member of the Commerce Committee, Senator Cotton, for their willingness to consider this amendment even though I do not serve on the committee. Indeed, every member of the Commerce Committee, and especially those on the Surface Transportation Subcommittee, has been very helpful in this matter.

I would be remiss if I did not also mention the very fine work which the legislative counsel of the Senate and the committee staff did on this particular amendment. I received fine cooperation from them and I am delighted at the result.

Mr. COOPER. Mr. President, I appreciate very much the statement of the senior Senator from Delaware (Mr. BOGGS) and his reference to my interest in seeking to secure free railway fare passes to former employees of the railroads who are now retired.

I was very glad to join as a cosponsor of the amendment which was approved in the committee. From the outset I have disapproved the policy adopted by Amtrak in discontinuing these rights. Many retired railway employees in Kentucky and in my own town of Somerset have brought to my attention this basic unfairness of Amtrak's policy to retired railway employees. I believe it is correct, as my distinguished colleague has pointed out, that in the minds of railway employees the right to secure passes upon retirement has been considered a part of their compensation, and a vested retirement benefit.

Although the provision recommended by the committee is somewhat different than the provisions of S. 3131, as introduced by Senator BOGGS, and which I was happy to cosponsor, I am pleased that the committee has taken the action it did.

And I wish to compliment my distinguished colleague from Delaware on his persistent efforts in securing this provision in the committee bill and I am very pleased to give it my support.

Mr. TUNNEY. Mr. President, today I intend to vote to give Amtrak a healthy transfusion of lifeblood—to give it a chance to rise above a "stepchild of Congress" status. When the Congress created Amtrak a short time ago, it made a promise to support the idea of a visible system of rail transportation in this country. That promise should be kept. Both the amendment offered by Senator PELL, as to which I am cosponsor, as well as the Senate bill should be passed.

The House version of the Amtrak bill, in my view, pays only lip service to that promise. It provides among other things, for a Federal grant of $170 million. The Senate Committee on Commerce has found that the suggested grant of $170 million will "allow Amtrak to continue operating not longer than July 1973, while making only minimal capital improvements." The committee further found that by that date—

> Amtrak will likely be completely without funds; will owe $100 million; and will not have the modern equipment and facilities needed either to improve its financial results or to provide the quality of passenger service necessary to attract substantial numbers of people and thus make real contribution to the total transportation picture.

The Senate bill reported out of Commerce Committee takes a meaningful step forward by proposing Federal grants amounting to $270 million and increasing the loan guarantee authority from $100 million to $250 million. In my view, this proposed investment is necessary and minimal.

It is difficult to fail to take notice of the marvelous success of the New York to Washington Metroliner. A few years ago, the idea of taking a train from New York to Washington would have been regarded by most as preposterously inefficient and unpleasant. Today people are clamoring for reservations on the Metroliner, which has transformed a dying passenger rail service into a jet-aged streamlined success and yet has not even reached its full potential of 150-miles-per-hour service.

Anyone who has undergone the tedium of 1-day return business trips by air or crowded highway commutes knows the frustration, exhaustion, and irritation that often accompany these daily activities performed by millions of Americans. Amtrak offers hope, not only to make this type of travel bearable, but downright enjoyable.

It takes little imagination to envision the speedy, yet effortless conveyance between cities on trains able to achieve the speed of the Metroliner. Not only will people be spared the agonies of racing to and around airports and being subject to highway congestion in going to and from their inter-city tasks, but also, they could, on the Amtrak system, devote their travel time to quiet contemplation, relaxation, or productive work. The enhancement of the psychological and physical well-being of America's daily travelers will be tremendous and could be expected to accomplish increased productivity for them due to this reason alone.

California's airways and freeways are congested to the point of saturation, especially with respect to such heavily travelled California corridors as those between San Diego and Los Angeles, San Francisco and Sacramento, and San Francisco and Los Angeles. Rail Passenger services equivalent to that of the Metroliner supplied to those as well as other California urban areas may well permit the congested freeways to become "free" again for those who must drive, and the airports to be no longer deemed outgrown as soon as they are expanded. The Pell amendment will, if enacted, greatly facilitate this needed development.

The possibilities are endless. Holiday travelers—especially families—may, if Amtrak thrives, eventually board in San Francisco a train designed to transport their family automobile with them, deposit the kids in a supervised kiddie car equipped with tops, children's books and movies, while the parents relax in a nightclub bar. They may get off the train in San Diego and spend their week at the beach having had fun all the way and having been spared the toil of a 2-day drive.

Once Amtrak becomes a reality, special cut-rate passes like Europe's Eurail-passes could be sold to foreign tourists so as to permit unlimited travel over a specified period of time throughout the country. If it is made pleasurable and inexpensive enough, the existence of Amtrak alone may attract thousands of foreign tourists, who otherwise might regard the cost of travel in the United States as either prohibitive, when speedy and convenient such as air travel, or limited, confining, and slow such as by bus travel. If such cut-rate passes were available to American travelers on the same basis, many American travelers may decide to spend their holidays in

the United States rather than to pay the cost of a charter air flight to Europe where inexpensive, yet modern, rail services are available quite cheaply.

Robert Lewis, the President of Amtrak, in the February 28, 1972, issue of U.S. News & World Report cited a startling statistic. He said that 50 percent of the people in this country have never been on an airplane and that 20 percent of America's families do not own an automobile. This means that approximately 100 million Americans either are walking or riding their bicycles a lot, driving their cars, or they simply do not travel. Amtrak may be the answer for them.

In order for such dreams to be fruitful, we must be generous, not frugal in our support of Amtrak. We must encourage imagination and creativity and not be satisfied with bare-bones subsistence-level support.

To those who criticize the Amtrak proposal as excessive, I suggest a comparison of the Amtrak proposal with the extremely generous funding plans for highways and air travel. During the next 2 years alone, approximately $10 billion will be spent on highways and $4 billion will be spent on airports and airways according to the Senate Commerce Committee Report.

What I am advocating is not an unlimited drain on the U.S. Treasury. If at some future time Amtrak proves unworkable, then I believe it should be dropped. However, so long as we are committed to the goal of a viable national rail passenger service, the project should not be undermined by a lack of adequate funding.

Let us not allow the untapped potential of the Amtrak passenger system dissipate through false economies. Let us make this investment wholeheartedly. We shall all live better for having done so.

RESTORATION OF PASS PRIVILEGES TO RETIRED RAILROAD EMPLOYEES

Mr. PERCY. Mr. President, there is one provision in H.R. 11417 in which I am especially interested. That is section 8, which requires that Amtrak grant free or reduced rate transportation to any active or retired railroad employee or to his dependents who were eligible for such privileges on April 30, 1971.

Under the committee bill, the railroads are required to reimburse Amtrak for the cost incurred in providing such transportation. The committee estimates that the cost of this provision should not be substantial, but if there are any costs, the railroads should pay them. As the committee report states:

> Because Congress is merely continuing pass policies which the railroads themselves developed, it would appear that the railroads and not Amtrak should bear the cost, if any.

When Amtrak took over, many of these pass privileges were terminated. With only a limited amount of funding, Amtrak felt it could not continue to honor the pass privileges and still accomplish its assigned goal of upgrading rail passenger service and making it profitable. Amtrak further contended that it was not legally bound to honor policies or contractual agreements entered into years ago by the railroads.

A number of my constituents have been greatly disappointed to learn that they can no longer count on these lifetime rail passes. As one retired worker explained to me in a letter:

> Years ago when our work contracts were drawn up, one of the benefits incorporated into the agreement was free pass privileges for railroad employees. But these railroads have just taken it into their own hands to eliminate these privileges without any agreements being drawn up, at least that has always been my understanding. Would you help us out on this thing? My wife and I have looked forward for years to the day when I retired so that we could take advantage of this free transportation and visit our children who are located in Florida and New York.

Another man wrote to me:

> I am seeking your support in restoring my railway pass rights that were taken away by Amtrak. I worked at the Centralia railroad shop for more than 42 years. As a retired person, I enjoyed those pass rights. I find it hard to travel at today's prices. We retired people need our earned privileges restored.

And the widow of a retiree pointed out:

> None of us get pensions (which give us) enough to live on. We have to go into our meager savings, and there is no money to ride trains. My only son lives in Tucson, Arizona. I can't even go see him. Please help. We would all be so grateful.

Mr. President, the disappointment felt by these people is keen. In my opinion, it is also understandable. It is true that Amtrak must make a profit and upgrade rail passenger service in a limited period of 3 years, but the participating railroads must also deliver on their promises of long standing.

Slightly over a year ago, I introduced a comprehensive legislative program to improve the lot of retired people, and one of my proposals called for reduced fares for senior citizens on all planes, trains, and buses operating with Federal funds or in interstate commerce. A number of mass transit systems in our cities, including the CTA in Chicago, have taken the commendable step of offering reduced fares to senior citizens during nonrush hours. And some of the airlines, including Pan Am and KLM, have offered reduced fares for people over 65 on a seat-available basis.

To bring us closer to the goal of providing the reduced fares called for in my legislative program for the elderly, I became a cosponsor of S. 3131, a bill introduced on February 7 by the distinguished senior Senator from Delaware (Mr. BOGGS). S. 3131 called for the restoration of "certain rights to free or reduced rate passenger transportation granted by railroads to employees upon retirement." The substance of S. 3131 was incorporated into the bill now before us, H.R. 11417, and I would like to commend Senator BOGGS for his initiative on this issue.

During last December's White House Conference on Aging, the Conference noted that transportation is one of the most serious problems confronting senior citizens. One of the major recommendations of the Conference was:

> Appropriate legislation at all levels of government should provide that the elderly and handicapped be allowed to travel at half fares, or less, on a space available basis on all modes of public transportation.

The provision incorporated into H.R. 11417 would by no means completely accomplish this stated goal, but it would move us closer to it.

Elderly people have the time and the desire to travel. What they too frequently lack is the money.

Lack of mobility is one of their most serious problems, and for them, this lack of mobility means increased isolation—beyond what they already suffer.

Mr. President, I not only commend the Senate Commerce Committee for including in this bill a provision to restore pass privileges to retired employees, but I also express the deep hope that Amtrak will consider experimenting with reduced fares for senior citizens on a broader, more general basis.

I know that Amtrak is already taking certain steps to improve service on trains, in the hope that improved service will attract more passengers. As Amtrak makes these improvements and tests different ideas for increasing ridership, I hope it will consider offering reduced fares to senior citizens on those trains now operating at a loss. These trains must, according to the law, continue in operation until July 1, 1973. If the trains must run anyway, but are now running far below their potential passenger loads, why not select one of the money-losing routes and determine what effect upon ridership—and revenues—a policy of reduced fares for senior citizens might have? The experiment could be undertaken on a modest experimental scale, but it could enable us to determine more accurately the potential of rail passenger service.

It is my understanding that Amtrak officials have given some thought to this idea and that there is a possibility that such an experiment could get underway by the end of this summer, after Amtrak has completed certain contemplated improvements.

If this is the case, I would like to strongly encourage Amtrak to go ahead with such an experiment.

NO MORE IDAHO TAX DOLLARS FOR AMTRAK

Mr. CHURCH. Mr. President, I shall vote against this legislation to furnish $270 million more in Federal revenues to the National Rail Passenger System. In my view, Amtrak has failed to carry out the duty with which it was charged by Congress. A system providing absolutely no service to five States is not "national" in my book.

Amtrak was directed by Congress to improve and expand rail passenger service between urban and other areas of the United States; yet the System has concentrated on the urban centers at the expense of the "other areas." Instead of improving service in my State of Idaho, Amtrak has effectively wiped out passenger service there. All railroad passenger service in southern Idaho was abandoned, and only a single stop in the northern part of my State was retained. Apparently, the System could not find a way around the State of Idaho to get to the west coast.

My vote on Amtrak funding, with the tax dollars of Idaho taxpayers, will be the same as the service effectively provided my State: I shall cast a negative vote.

The only reluctance I have in voting against this bill is that it does more than provide for simply authorizing money for Amtrak. It provides for two other matters which I favor. One of those matters is directly related to legislation I have sponsored. The two items are:

First, providing for a comprehensive study and report to the President and Congress of the potential for transportation of mail and express on passenger trains.

Second, reinstatement, within stated guidelines, of passenger train pass privileges for railroad employees who were entitled to such privileges prior to or on April 30, 1971.

I favor both of these proposals. I sponsored legislation, S. 1666, to provide for the transportation of mail by the National Railroad Passenger Corporation. This study, I am confident, will show the feasibility of such activity on the part of the Corporation, thus allowing it to produce more revenue and, hopefully, provide service to areas such as southern Idaho in the future.

In addition, Mr. President, I have always felt that the loss of, or reduction of, free pass privileges by railroad employees entitled to them was a breach of faith with these people. I am pleased to see that the committee has moved to reinstate, in large measure, these privileges. I support this action.

However, Mr. President, the bill still contains a fatal flaw. It does not require the network to provide passenger service to at least one major population center in each of the contiguous 48 States. That, I feel, is the least that could be done to assure that the intent of the original Amtrak legislation is carried out. I have introduced such a requirement in the form of S. 1018, and regret that the committee did not choose to include such language in this bill. Had that language been inserted, I could, in good conscience, support the bill. Without it, I cannot support this legislation.

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 of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 11417) was read the third time.

Mr. HARTKE. Mr. President, I have no further comments, and I yield back the remainder of my time.

Mr. BEALL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from Washington (Mr. JACKSON).

If present and voting, the Senator from North Carolina would vote "nay" and the Senator from Washington would vote "yea."

I further announce that, if present and voting, the Senator from Georgia (Mr. GAMBRELL), the Senator from North Carolina (Mr. JORDAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Minnesota (Mr. HUMPHREY) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The result was announced—yeas 73, nays 7, as follows:

[No. 157 Leg.]

YEAS—73

Aiken	Dole	Nelson
Allen	Dominick	Pearson
Allott	Eagleton	Pell
Anderson	Eastland	Percy
Baker	Fannin	Proxmire
Bayh	Fong	Randolph
Beall	Griffin	Ribicoff
Bellmon	Gurney	Roth
Bennett	Hansen	Schweiker
Bentsen	Hartke	Smith
Bible	Hollings	Spong
Boggs	Hruska	Stafford
Brooke	Hughes	Stennis
Buckley	Inouye	Stevens
Byrd, Harry F., Jr.	Javits	Stevenson
Byrd, Robert C.	Kennedy	Symington
Cannon	Magnuson	Taft
Case	Mathias	Talmadge
Chiles	McGee	Thurmond
Cook	McIntyre	Tower
Cooper	Metcalf	Tunney
Cotton	Miller	Weicker
Cranston	Mondale	Williams
Curtis	Montoya	Young
	Moss	

NAYS—7

Brock	Fulbright	Saxbe
Church	Jordan, Idaho	
Ellender	Packwood	

NOT VOTING—20

Burdick	Hatfield	McGovern
Ervin	Humphrey	Mundt
Gambrell	Jackson	Muskie
Goldwater	Jordan, N.C.	Pastore
Gravel	Long	Scott
Harris	Mansfield	Sparkman
Hart	McClellan	

So the bill (H.R. 11417) was passed.

The title was amended, so as to read: "An Act to amend the Rail Passenger Service Act of 1970 in order to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes."

Mr. HARTKE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical corrections in the bill.

The PRESIDING OFFICER (Mr. BELLMON). Without objection, it is so ordered.

(The following proceedings, which occurred later in the day are printed at this point in the RECORD by unanimous consent:)

Mr. ROBERT C. BYRD. Mr. President, the very distinguished senior Senator from Maryland (Mr. MATHIAS) was unavoidably detained just prior to third reading and passage of the Amtrak bill. The Senator from Maryland had a matter pertaining to the Amtrak measure which he wanted to discuss. Because he was unavoidably detained, I ask unanimous consent that, at this time, the Senator from Maryland may proceed for 5 minutes without the time being charged to either side on the pending bill and that his remarks appear in the RECORD immediately following the passage of the Amtrak bill and before the pending bill was laid before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? May the well be cleared and the aides to Senators please take their seats unless they are conferring with Senators. The distinguished Senator from Maryland is entitled to be heard.

The PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

Mr. MATHIAS. Mr. President, I thank the distinguished Senator from West Virginia, the acting majority leader, for making it possible for me to present a few thoughts on the Amtrak situation at this time. I think perhaps, as it has worked out, that this is the proper time for my thoughts to be expressed. As the acting majority leader has said, I was in a meeting with Secretary of Commerce Peterson at the time that the debate was closed.

Prior to the opening of the debate on the bill, I had prepared an amendment to the bill. I send that amendment to the desk at this time and ask unanimous consent that it be printed at this point in the RECORD so that I can explain the need for the amendment.

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

On page 27, between lines 17 and 18, insert the following:

SEC. 12. (a) In any case in which the National Railroad Passenger Corporation terminates any rail passenger service which provides commuter service for which commuter ticket books are sold or accepted and such commuter service is between points served by the Metroliner operated by such Corporation, the Corporation shall provide such service on the Metroliner in return for valid tickets in such books sold or accepted before such termination and shall provide, for nine months after such termination, such commuter service on the Metroliner at the same special commuter rates previously charged for such terminated service.

(b) In any case in which such Corporation terminates any rail passenger service which provides any commuter service the Corporation shall consult with appropriate State and local officials and endeavor to provide a substitute for such commuter service.

On page 27, line 18, strike out "Sec. 12" and insert in lieu thereof "Sec. 13".

Mr. MATHIAS. I decided that I would not press the amendment to final action today after negotiations with Amtrak officials and after some consultation with my distinguished colleague, the junior Senator from Maryland (Mr. BEALL). The reason that I had initially thought that such an amendment would be useful was because it would draw attention to a human problem—a human problem which is sometimes overlooked when we deal only with statistics and traffic data.

The fact is that trains are supposed to serve people and not necessarily that people should serve trains. People depend on trains to get to jobs. People depend on trains in order to secure and retain their employment. People cannot change their lives and people cannot change their jobs and their pattern of employment as fast as Amtrak can change its train schedules. So, when we have a situation in which the human needs of people are not being answered by the train service, I think, then, we have to adopt a flexibility that meets the needs of people and deals with their problems.

One such case involves train No. 193, a commuter train serving Baltimore and Washington, as well as Philadelphia and Wilmington. That train is being discontinued by Amtrak. I would have hoped, had this amendment been agreed to, that it would establish a means of coping with the discontinuance of this service; namely, to allow a commuter ticket to be honored on the Metroliner, which travels the same route as train No. 193 at approximately the same time. I have not pressed my amendment because, as I said earlier, I have been in consultation with the Amtrak officials.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD certain correspondence with Secretary Volpe and others dealing with this service.

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

APRIL 19, 1972.

Hon. JOHN A. VOLPE,
Department of Transportation,
Washington, D.C.

DEAR SECRETARY VOLPE: I am writing to you concerning Amtrak's announcement that train number 193, which leaves Baltimore for Washington at 8:48 a.m., will be cancelled.

As you know, this train is used by a large number of Marylanders who have business in Washintgon, including many persons who travel to work in Washintgon daily.

At the current time, there is no alternative form of transportation suitable to the needs of these individuals. Many do not have cars available in which they can drive to Washington, while many others have daily working hours which do not coincide with other available or proposed trains. Virtually none of the people affected can in any way afford the cost of a regular round-trip ticket on a Metroliner.

The problem for the government and the railroads is to provide reasonably-priced transportation at convenient times. I am informed that persons traveling between Baltimore and Washington can purchase regular tickets for the trip at a cost of $1.10. Metroliner tickets cost $4.50 for the one-way trip. I would hope that it might be possible for Amtrak, Penn Central and other interested parties to work out a system by which persons who travel frequently between the two cities could ride the early Metroliner for a price equivalent to or slightly higher than the regular commuter fare of $1.10.

I would hope that, in view of the cancellation of the 8:48, it would be possible to adopt such a program on an emergency basis while the State of Maryland, through its Department of Transportation, develops a program to provide commuter rail transportation for the Greater Baltimore-Washington area. I am informed that Maryland officials expect to have the details of their program completed within thirty days and that they have already been in touch with the U.S. Department of Transportation concerning assistance from UMTA for funding capital projects.

I enclose the results of a questionnaire which I recently distributed to the passengers of train number 193.

I would appreciate your immediate attention to this problem.

With best wishes.

Sincerely,

CHARLES MCC. MATHIAS, JR.,
U.S. Senator.

APRIL 27, 1972.

Hon. CHARLES MCC. MATHIAS, JR.
U.S. Senate,
Washington, D.C.

DEAR MAC: Roger Lewis asked me to reply to your letter of April 26, 1972, about the 8:48 a.m. train from Baltimore to Washington, and your letter of April 19, 1972.

The Southeastern Pennsylvania Transportation Authority made a week-long survey in February of this year and found the average ridership on Train No. 193 from Baltimore to Washington to be thirty-two passengers a day. As you know, with commuter tickets there is no ticket lift on the train. The conductor just punches the commuter ticket. So, a physical count of the number of passengers boarding the train must be made, and I assume that is what was done by the Southeastern Pennsylvania Transportation Authority. Two of our people here at Amtrak have ridden the train on a number of occasions and while they report that the boardings at Baltimore were in excess of thirty passengers, they were not much in excess.

I called Les Pittler on the phone the other day to ask him to find out, if he could, how the figures on your "Final Talley Sheet", enclosed with your letter of April 19, 1972, to Mr. Lewis, were arrived at. If this is a final talley sheet of commuters on Train No. 193, I think there must be some mistake somewhere, because our Operations Department tells me that this train, having only two cars, would be jammed with standees if it carried 195 people.

There is no commuter train now between 7:05 a.m. and the 8:48 a.m., and it is our judgment that a 7:45 a.m. train from Baltimore would be more advantageous to most commuters than the present schedule.

We have given serious consideration to allowing, for a brief period, commuter tickets to be accepted on the 9:00 a.m. Metroliner from Baltimore to Washington. While we have not reached a final decision on this, we do want to let you know what some of our problems are so we can talk about it. In the first place, it would be very difficult to accept commuter tickets between Baltimore and Washington and not accept them between Wilmington and Philadelphia, between Philadelphia and New York, and between Trenton and New York. Then, our law defines intercity rail passenger service as excluding commuter services, and if we made special arrangements for handling commuters between Baltimore and Washington it would be used as a precedent for putting us further and further into the commuter business. Congress has treated commuter services separately under the Urban Mass Transportation legislation. These are some of our problems, and you can readily understand why we can't decide the question quickly.

According to our records, Train No. 193 has been losing at the rate of about $200,000 a year. While all of it, of course, is not chargeable to Baltimore, since this train is really only a commuter train between Philadelphia and Wilmington, and between Baltimore and Washington, and not an intercity train, we just can't justify such losses for a service we are not supposed to perform anyhow.

Kindest regards,

Sincerely,

GERALD D. MORGAN,
Vice President,
Government Affairs.

APRIL 26, 1972.

MR. ROGER LEWIS,
President, Amtrak,
Washington, D.C.

DEAR MR. LEWIS: AMTRAK's decision to keep the early morning train from Philadelphia but to terminate it at Newark, Delaware, 35 miles north of Baltimore rather than Washington, is difficult to explain to the people of Maryland. As I have tried to make clear in other communications to you, many Maryland citizens rely on this train to get to their jobs in Washington. Cancellation of this service leaves them no comparable train to ride.

In a letter dated April 19, I requested that if the Philadelphia to Washington run were cancelled, commuters should be allowed to use the 9 A.M. Metroliner from Baltimore to Washington at least until alternate measures could be taken by the State of Maryland. If your counsel questions your statutory authority to take this step, I have offered to introduce emergency legislation to fill such a vacuum. As of today, I have received no reply to that request. The present service ends this week.

AMTRAK's authorizations legislation is the pending business in the Senate tomorrow. The support you need and should receive would be forthcoming with genuine enthusiasm if the Senate could feel sure that you have not lost sight of problems of human dimension like this one.

Sincerely,

CHARLES MCC. MATHIAS, JR.,
U.S. Senator.

Mr. MATHIAS. Mr. President, in that correspondence it is stated that Amtrak is giving serious consideration to allowing, for a brief period, commuter tickets to be accepted on the 9 a.m. Metroliner from Baltimore to Washington.

It was in reliance upon this kind of consideration that I was willing to withhold action today. The officials have been

trying to work out some long term solution.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Under the existing circumstances, I ask unanimous consent that the Senator from Maryland have 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I thank the Senator from West Virginia.

Mr. President, I am particularly heartened in my efforts by the work being done, as I said earlier, by my colleague from Maryland the junior Senator from Maryland. He has been the central figure in this legislation. He understands this problem as well as I do, if not much better, and is equally concerned.

I think that, with the attitude which has now developed on the part of Amtrak officials and with the concern exhibited by the junior Senator from Maryland, the Senator from Indiana, and others who have immediate legislative oversight over the bill, we can work out the problem on a human basis. The case is one which will not cost Amtrak any more and which will not put a burden on the Government. For in this case, there are surplus seats on the Metroliner which could be filled by those who have bought commuter tickets and want to get to their place of employment.

It is a matter which needs human concern in order to cope with the problem during the interim period while we are developing a rail system in an effort to deal with the decade of the 1970's.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. MATHIAS. Mr. President, I yield.

Mr. BEALL. Mr. President, I congratulate my senior colleague for bringing this point to the attention of the Senate today as we have just finished the consideration of the Amtrak legislation.

The senior Senator from Maryland has been of great service to the people of the Baltimore-Washington area and of the particular region in pointing out the human needs involved in providing adequate rail transportation.

There have been consultations between the senior Senator from Maryland and the Amtrak officials and myself so that this problem might be resolved.

I point out that we have yet to come to grips with the overall problems of the commuter matter. Very soon we must come to grips with this problem and decide whether we will rely on existing railroads to provide this service or whether the Federal Government will get into the problems with both feet and take care of the commuter problem existing in this country today.

(This marks the end of the proceedings which occurred later in the day and which, by unanimous consent, were ordered to be printed here.)

TRUTH IN LENDING ACT AMENDMENTS OF 1972

Mr. ROBERT C. BYRD. Mr. President, under the previous order, I ask that the Chair now lay before the Senate the next bill.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Chair now lays before the Senate, Calendar No. 718, S. 652, which the clerk will state.

The assistant legislative clerk read as follows:

S. 652, to amend the Truth in Lending Act, to protect consumers, against careless and unfavorable billing practices, 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, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Truth in Lending Act Amendments of 1972".

TITLE I—FAIR CREDIT BILLING

§ 101. Short title

This title may be cited as the "Fair Credit Billing Act".

§ 102. Declaration of purpose

The last sentence of section 102 of the Truth in Lending Act (15 U.S.C. 1601) is amended by striking out the period and inserting in lieu thereof a comma and the following: "and to protect the consumer against inaccurate and unfair credit billing and credit card practices."

§ 103. Definition of creditor

Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended by adding at the end thereof the following: "Notwithstanding the foregoing, for the purposes of the requirements imposed under sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(1), 127(b)(2), 127(b)(3), 127(b)(11), and chapter 4 of this title, the term 'creditor' means any person who regularly extends credit or arranges for the extension of credit in connection with loans, sales of property or services, or otherwise."

§ 104. Identification of transaction

Section 127(b)(2) of the Truth in Lending Act (15 U.S.C. 1637(b)(2)) is amended to read as follows:

"(2) The amount and date of each extension of credit during the period and a brief identification on or accompanying the statement of each extension of credit sufficient to enable the obligor to identify the transaction, or relate it to copies of sales vouchers or similar instruments previously furnished, in a form prescribed by regulations of the Board."

§ 105. Disclosure of fair credit billing rights

(a) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end thereof a new paragraph as follows:

"(8) A statement of the protection provided by section 161 to an obligor and the creditor's responsibilities under section 162 in a form prescribed by regulations of the Board. Such statement shall be provided to the obligor at least semiannually."

(b) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by striking out "this subsection" and inserting in lieu thereof "the Fair Credit Billing Act".

§ 106. Disclosure of billing contact

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end thereof a new paragraph as follows:

"(11) The address to be used by the creditor for the purpose of receiving billing inquiries from the obligor."

§ 107. Billing practices

The Truth in Lending Act (15 U.S.C. 1601–1665) is amended by adding at the end thereof a new chapter as follows:

"CHAPTER 4—CREDIT BILLING

"Sec.
"161. Correction of billing errors.
"162. Regulation of credit reports.
"163. Length of billing period.
"164. Prompt crediting of payments.
"165. Crediting excess payments.
"166. Use of cash discounts.
"167. Prohibition of tie-in services
"168. Prohibition of offsets.
"169. Relation to State laws.

"§ 161. Correction of billing errors

"(a) If a creditor, within sixty days after having transmitted to an obligor a statement of the obligor's account in connection with an extension of consumer credit, receives at the address disclosed under section 127(b)(11) a written notice (other than notice on a payment stub or other payment medium supplied by the creditor oif the creditor so stipulates) from the obligor in which the obligor—

"(1) sets forth or otherwise enables the creditor to identify the name and account number (if any) of the obligor

"(2) indicates the obligor's belief that the statement contains a billing error and the amount of such billing errors, and

"(3) sets forth the reasons for the obligor's beliefs (to the extent applicable) that the statement contains a billing error, the creditor shall, unless the obligor has previously agreed that the statement was correct—

"(A) not later than thirty days after receipt of the notice, send a written acknowledgment thereof to the obligor, unless the action required in subparagraph (B) is taken within such thirty-day period, and

"(B) not later than two complete billing cycles of the creditor (in no event later than ninety days) after the receipt of the notice and prior to taking any action to collect the amount, or any part thereof, indicated by the obligor under paragraph (2) either—

"(i) make appropriate corrections in the account of the obligor, including the crediting of any finance charges on amounts erroneously billed, and transmit to the obligor a notification of such corrections and the creditor's explanation of any change in the amount indicated by the obligor under paragraph (2) and, if any such change is made and the obligor so requests, copies of documentary evidence of the obligor's indebtedness; or

"(ii) send a written explanation or clarification to the obligor, after having conducted an investigation, setting forth to the extent applicable the reasons why the creditor believes the account of the obligor was correctly shown in the statement and, upon request of the obligor, provide copies of documentary evidence of the obligor's indebtedness.

"(b) For the purpose of this section, a 'billing error' consists of any of the following:

"(1) A reflection on a statement of an extension of credit which was not made to the obligor or, if made, was not in the amount reflected on such statement.

"(2) A reflection on a statement of an extension of credit for which the obligor requests additional clarification including documentary evidence thereof.

"(3) A reflection on a statement of goods or services not accepted by the obligor or his designee or not delivered to the obligor or his designee in accordance with the agreement made at the time of a transaction.

"(4) The creditor's failure to reflect properly on a statement a payment made by the obligor or a credit issued to the obligor.

"(5) A computation error or similar error of an accounting nature of the creditor on a statement.

"(6) Any other error described in regulations of the Board.

"(c) For the purpose of this section, 'action to collect the amount, or any part thereof,

indicated by an obligor under paragraph (2)' does not include the sending of statements of account to the obligor following written notice from the obligor as specified under subsection (a), if—

"(1) the obligor's account is not restricted or closed because of the failure of the obligor to pay the amount indicated under paragraph (2) of subsection (a), and

"(2) the creditor indicates the payment of such amount is not required pending the creditor's compliance with section 161.

Nothing in this section shall be construed to prohibit any action by a creditor to collect any amount which has not been indicated by the obligor to contain a billing error.

"(d) Any creditor who fails to comply with the requirements of subsection (a) forfeits any right to collect from the obligor the amount indicated by the obligor under paragraph (2) of subsection (a), and any finance charges thereon, except that the amount required to be forfeited under this subsection may not exceed $50.

"§ 162. Regulation of credit reports

"(a) After receiving a notice from an obligor as provided in section 161(a), a creditor or his agent may not directly or indirectly threaten to report to any person adversely on the obligor's credit rating or credit standing because of the obligor's failure to pay the amount indicated by the obligor under section 161(a)(2), and such amount may not be reported as delinquent to any third party until the creditor has met the requirements of section 161 and has allowed the obligor the same number of days (not less than ten) thereafter to make payment as is provided under the credit agreement with the obligor for the payment of undisputed amounts.

"(b) If a creditor receives a further written notice from an obligor that an amount is still in dispute within the time allowed for payment under subsection (a) of this section, a creditor may not report to any third party that the account of the obligor is delinquent solely because the obligor has failed to pay an amount which he has indicated under section 161(a)(2), unless the creditor also reports that the account is in dispute and, at the same time, notifies the obligor of the name and address of each party to whom the creditor is reporting information concerning the delinquency.

"(c) A creditor shall report any subsequent resolution of any delinquencies reported pursuant to subsection (b) to the parties to whom such delinquencies were initially reported.

"§ 163. Length of billing period

"If an open-end consumer credit plan provides a time period within which an obligor may repay any portion of the credit extended without incurring an additional finance charge, such additional finance charge may not be imposed with respect to such portion of the credit extended for the billing cycle of which such period is a part unless a statement which includes the amount upon which the finance charge for that period is based was mailed at least fourteen days prior to the date specified in the statement by which payment must be made in order to avoid imposition of that finance charge.

"§ 164. Prompt crediting of payments

"Payments received from an obligor under an open-end consumer credit plan by the creditor shall be posted promptly to the obligor's account as specified in regulations of the Board.

"§ 165. Crediting excess payments

"Whenever an obligor transmits funds to a creditor in excess of the total balance due on an open-end consumer credit account, the creditor shall promptly (1) upon request of the obligor refund the amount of the overpayment, or (2) credit such amount to the obligor's account.

"§ 166. Use of cash discounts

"(a) With respect to a credit card which may be used for extensions of credit in sales transactions in which the seller is a person other than the card issuer, the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check, or similar means rather than use a credit card.

"(b) With respect to any sales transaction, any discount not in excess of 5 per centum offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card shall not constitute a finance charge as determined under section 106, if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.

"§ 167. Prohibition of tie-in services

"Notwithstanding any agreement to the contrary, no card issuer shall require a seller, as a condition to participating in a credit card plan, to open an account with or procure any other service from the card issuer or its subsidiary or agent.

"§ 168. Prohibition of offsets

"(a) A credit card issuer may not take any action to offset a cardholder's indebtedness arising in connection with a consumer credit transaction against funds of the cardholder held on deposit with the card issuer unless—

"(1) such action was previously authorized in writing by the cardholder, and

"(2) such action with respect to any disputed amount will be rescinded by the card issuer upon request of the cardholder made within ten days after such action is taken. In the case of any credit card account in existence on the effective date of this section, the previous written authorization referred to in clause (1) shall not be required until the date (after such effective date) when such account is renewed, but in no case later than one year after such effective date.

"(b) This section does not alter or affect the right under State laws of a card issuer to attach or otherwise levy upon funds of a cardholder held on deposit with the card issuer if that remedy is constitutionally available to creditors generally.

"§ 169. Relation to State laws

"This chapter does not annul, alter, affect, or exempt any person subject to the provisions of this chapter from complying with the laws of any State with respect to credit billing practices, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency."

§ 108. Conforming amendments

(a) The table of chapters of the Truth in Lending Act is amended by adding immediately under item 3 the following:

"4. CREDIT BILLING---------- 161".

(b) Section 111(d) of such Act (15 U.S.C. 1610(d)) is amended by striking out "and 130" and inserting in lieu thereof a comma and the following: "130, 166, 167, and 168".

§ 109. Effective date

This title takes effect upon the expiration of one year after the date of its enactment.

TITLE II—AMENDMENTS TO THE TRUTH IN LENDING ACT

§ 201. More-than-four-installment rule

The first sentence of section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended by inserting "which is payable by agreement in more than four installments or" after "credit".

§ 202. Agricultural credit exemption

Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended by adding at the end thereof a new paragraph as follows:

"(5) Credit transactions for agricultural purposes in which the total amount to be financed exceeds $25,000."

§ 203. Enforcement by Farm Credit Administration

Section 108(a) of the Truth in Lending Act (15 U.S.C. 1607(a)) is amended by adding at the end thereof a new paragraph as follows:

"(7) the Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank or production credit association."

§ 204. Liens arising by operation of State law

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended—

(1) by striking out "is" the first time it appears in the first sentence of subsection (a) and inserting in lieu thereof ", including any such interest arising by operation of law, is or will be"; and

(2) by inserting after "obligor" the second time it appears in the first sentence of subsection (b) the following: ", including any such interest arising by operation of law,".

§ 205. Time limit for right of recission

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended by adding at the end thereof a new subsection as follows:

"(f) An obligor's right of recission shall expire three years after the date of consummation of the transaction or upon the sale of the property by the obligor, whichever occurs earlier, notwithstanding the fact that the disclosures required under this section or any other material disclosures required under this chapter have not been delivered to the customer."

§ 206. Good faith compliance

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(f) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, or in conformity with any interpretation issued by any other agency designated in section 108 unless such interpretation has, prior to the time such act was done or omitted, been determined by the Board to be inconsistent with the Board's rules, regulations, or interpretations, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason."

§ 207. Liability for multiple disclosures

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(g) The multiple failure to disclose to any person any information required under this chapter to be disclosed in connection with a single account under an open-end consumer credit plan, other single consumer credit sale, consumer loan, or other extension of consumer credit, shall entitle the person to a single recovery under this section."

§ 208. Limitation on class action liability

(a) Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended to read as follows:

"(a) Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed under this chapter or chapter 4 of this title (other than section 161) with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damages sustained by such person as a result of the failure;

"(2) such punitive damages as the court may allow, except that such damages shall (A) be not less than $100 in the case of an individual action, or (B) in the case of a class action, not more than the lesser of $50,000, or 2 per centum of the net worth of the creditor as of the end of the creditor's fiscal year immediately preceding the fiscal year in which the failure occurred; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee which shall be the reasonable value of the services rendered by the attorney without regard to the amount of any recovery.

In determining the amount of punitive damages in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional."

(b) Section 130(b) of such Act (15 U.S.C. 1640(b)) is amended by inserting after "this section" the first place it appears the following: "for any failure to comply with any requirement imposed under this chapter,".

(c) Section 130(c) of such Act (15 U.S.C. 1640(c)) is amended by striking out "chapter" and inserting in lieu thereof "title".

(d) Section 130 of such Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(h) A person may not take any action to offset any amount for which a creditor is potentially liable to such person under subsection (a)(2) against any amount owing to such creditor by such person, unless the amount of the creditor's liability to such person has been determined by judgment of a court of competent jurisdiction in an action to which such person was a party."

(e) The amendments made by this section shall apply in determining the liability of any person under chapter 2 or 4 of the Truth in Lending Act, unless prior to the date of enactment of this Act such liability has been determined by final judgment of a court of competent jurisdiction and no further review of such judgment may be had by appeal or otherwise.

§ 209. Credit card fraud

Section 134 of the Truth in Lending Act (15 U.S.C. 1644) is amended to read as follows:

"§ 134. Fraudulent use of credit card

"(a) Whoever knowingly in a transaction affecting interstate or foreign commerce, uses or attempts or conspires to use any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card to obtain money, goods, services, or anything else of value which within any one-year period has a value aggregating $1,000 or more; or

"(b) Whoever, with unlawful or fraudulent intent, transports or attempts or conspires to transport in interstate or foreign commerce a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

"(c) Whoever, with unlawful or fraudulent intent, uses any instrumentality of interstate or foreign commerce to sell or transport a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

"(d) Whoever knowingly receives, conceals, uses, or transports, money, goods, services, or anything else of value (except tickets for interstate or foreign transportation) which (1) within any one-year period has a value aggregating $1,000 or more, (2) has moved in or is part of, or which constitutes interstate or foreign commerce, and (3) has been obtained with a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card; or

"(e) Whoever knowingly receives, conceals, uses, sells, or transports in interstate or foreign commerce one or more tickets for interstate or foreign transportation, which (1) within any one-year period have a value aggregating $500 or more, and (2) have been purchased or obtained with one or more counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit cards; or

"(f) Whoever in a transaction affecting interstate or foreign commerce furnishes money, property, services, or anything else of value, which within any one-year period has a value aggregating $1,000 or more, through the use of any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained—

shall be fined not more than $10,000 or imprisoned not more than ten years, or both."

§ 210. Grace period for consumers

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended—

(1) by amending subsection (a)(1) to read as follows:

"(1) The conditions under which a finance charge may be imposed, including the time period (if any) within which any credit extended may be repaid without incurring a finance charge, except that the creditor may, at his election and without disclosure, impose no such finance charge if payment is received after the termination of such time period but before the opening date of the next billing period."; and

(2) by amending subsection (b)(10) to read as follows:

"(10) The date by which or the period (if any) within which, payment must be made to avoid additional finance charges, except that the creditor may, at his election and without disclosure, impose no such additional finance charge if payment is received after such date or the termination of such period but before the opening date of the next billing period."

§ 211. Effective date

This title takes effect upon the date of its enactment.

The PRESIDING OFFICER. Who yields time on the bill?

Mr. PROXMIRE. Mr. President, I am happy to yield to the distinguished junior Senator from Tennessee.

PRIVILEGE OF THE FLOOR

Mr. BROCK. Mr. President, I ask unanimous consent that in connection with the consideration of S. 652 the following committee and personal staff members be given access to the floor to assist committee members:

Committee staff: Dudley O'Neal, Michael Burns, Ken McLean, John Evans, Steve Paradise, Paul London, T. J. Oden, and Alex Heues.

Personal staff: Pat Abshire.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I yield myself 15 minutes on the bill.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 15 minutes.

Mr. PROXMIRE. Mr. President, I open this debate on S. 652, the so-called Fair Credit Billing Act, with considerable misgivings. The bill reported by the Senate Banking Committee is a sadly "watered down" version of the original bill I introduced in February of 1971. While the committee bill does a reasonable job in helping consumers resolve billing disputes, many vital consumer safeguards were stricken from the bill and others were seriously enfeebled. Moreover, new provisions were added to limit a creditor's liability under truth in lending and to transfer part of the cost of policing fraudulent credit card transactions to the Federal Government. Instead of calling the bill the "Fair Credit Billing Act," the committee bill might be more aptly termed the "Bank Protection Act of 1972."

Mr. President, unless the bill can be substantially strengthened on the floor, it should be defeated.

Mr. BENNETT. Mr. President, will the Senator yield on my time for a question?

Mr. PROXMIRE. On the Senator's time.

Mr. BENNETT. Is the Senator using time for the proponents of the bill or as an opponent of the bill?

Mr. PROXMIRE. I am using time as a proponent of the bill because I am so optimistic that we can amend the bill and put it into such form that I can vote for it. I am the author of the bill, and I want to vote for a Proximire bill. But I am keeping my options open. I admit that I am in an ambiguous position as manager of the bill, but I do not know what else I can do.

Mr. BENNETT. Since the Senator is in opposition to key features of the bill, he is robbing the real proponents of their time.

Mr. PROXMIRE. On the other side, who is handling the opposition time on the bill? Those for the bill, lock, stock, and barrel. Any way one looks at it, both sides will get equal time.

In my view we should not substitute meaningful reform legislation with a watered-down bill.

Mr. BENNETT. Mr. President, will the Senator yield on my time?

Mr. PROXMIRE. I yield.

Mr. BENNETT. I wish to ask the Parliamentarian which side has the time.

The PRESIDING OFFICER (Mr. BEALL). According to the record at the desk, the Senator from Wisconsin is noted as a proponent of the bill and the Senator from Utah is noted as an opponent of the bill.

Mr. BENNETT. Still on my time, the Senator from Utah is one of the majority that is defending the bill and the Senator from Wisconsin, with individual views, is in opposition to it.

The PRESIDING OFFICER. It is the suggestion of the Chair that both sides have equal time and, therefore, have the ability to yield to whomever they desire for whatever purpose they wish. Although the title is misleading, the intent is the same. The time is equally divided.

Mr. PROXMIRE. I think we can take care of this in the amendment. The minority, the Republican side, which opposes the amendment, would have time in opposition to the amendment and as a proponent I would have time in favor of the amendment.

Mr. BENNETT. We will see how it works out.

Mr. PROXMIRE. We should not create

the illusion of progress while accomplishing little. No bill is better than a bogus bill, so this Senator may vote against his own Proxmire bill. There is a good reason for this. The Chairman of the Federal Trade Commission has already promised to push for most of the billing dispute reforms left in the legislation by the committee. The Federal Trade Commission action would be in the form of a trade regulation under the Federal Trade Commission Act. So why pass a watered-down bill reported by the Committee on Banking, Housing and Urban Affairs? Consumers will be better served by having the Federal Trade Commission put the few reforms left in the bill into effect.

Of course, if we can amend the bill and make it more significant for the consumers, there would be more reason to act.

Before discussing the provisions left in the legislation by the committee, I believe it would be more appropriate to talk about the provisions that were taken out. The committee deleted six major consumer protection provisions and virtually emasculated the present class action remedies under the Truth in Lending Act. While all six provisions deleted by the committee may not be essential to an effective bill, taken as a whole, their deletion substantially weakens the bill. I intend to offer amendments restoring two of the six provisions and I understand that Senators TUNNEY and Moss will offer amendments restoring most of the remaining items deleted by the committee. If all of these amendments fail, I will vote against the bill and urge other Senators to vote against it.

Here are the six consumer protection items stricken by the committee:

A prohibition of retroactive finance charges on revolving charge accounts which cost the American consumer $200 million a year.

A modified repeal of the holder-in-due-course doctrine on credit card transactions which would have permitted consumers to withhold payment for shoddy merchandise purchased with a bank credit card;

A prohibition of minimum finance charges on revolving charge accounts which frequently involve interest rates of 120 percent a year or even higher on low-income consumers;

A repeal of the utility exemption under truth in lending which enables public utilities to conceal the interest rate they charge their customers for paying utility bills late;

A prohibition against billing for merchandise which was never mailed to a customer;

A prohibition against sending junk mail advertisements with monthly billing statements unless the merchandise is sold in the normal course of business or unless authorized by the consumer.

In addition to these six provisions, the committee bill seriously weakens the consumer class action remedies under truth in lending. The Vice Chairman of the Federal Reserve Board, Governor Robertson, and the man directly responsible for administering the Truth in Lending Act has written protesting that the committee bill "may effectively preclude truth in lending class action suits." Everyone who knows Governor Robertson, knows that he is a completely fair man who would advocate no policy unjust to the banks or business.

I intend to discuss each of these issues in greater detail as we proceed to the consideration of specific amendments. In the meantime, I believe it would be useful to outline for the Senate the provisions contained in the committee bill. As I previously indicated, most of these provisions may be adopted administratively by the FTC. They are good provisions as far as they go. But the bill as a whole needs to be strengthened if it is to live up to its title as the Fair Credit Billing Act.

The legislation reported by the committee has the following key provisions:

First, creditors are required to acknowledge customer billing disputes within 30 days and to resolve those disputes within 90 days. A dispute is resolved by either correcting the customer's bill or explaining why the original bill was correct. Creditors who fail to meet these requirements forfeit the amount in dispute up to $50 whether or not the bill was in error;

Second, creditors cannot send dunning letters or take other actions to collect a disputed amount or report it as delinquent before explaining to the customer why the bill is correct;

Third, if a customer still disputes a bill after receiving the creditor's explanation, a creditor cannot report the disputed amount as delinquent to a credit reporting agency unless he so notifies the customer, and tells the agency that the amount is in dispute. He must also report any subsequent resolution of the dispute;

Fourth, creditors must briefly identify an address for handling billing disputes and disclose twice yearly the customer's right to have these disputes resolved as provided in the legislation;

Fifth, creditors must mail their monthly billing statements at least 14 days prior to when payment is due to avoid the imposition of a finance charge;

Sixth, creditors must promptly post a customer's payments to his account in accordance with Federal Reserve Board regulations;

Seventh, creditors must promptly credit excess payments or refund them if the customer so requests;

Eighth, banks or other credit card issuers cannot require merchants to maintain deposits or purchase other services as a condition for participating in the credit card plan or prohibit them from offering discounts to cash customers;

Ninth, banks cannot offset a consumer's credit card depot against his checking or savings account unless the consumer has agreed to such offsets and is allowed 10 days to rescind the offset;

Tenth, a creditor's liability for punitive damages under the existing Truth in Lending Act and the new Fair Credit Billing Act is limited to a minimum of $100 in an individual action and a maximum of $50,000 or 2 percent of net worth—whichever is less—in a class action suit. These limitations would also apply retroactively to pending suits which have not been finally decided. No limitation is placed on the amount of actual damages which can be recovered by consumers;

Eleventh, persons involved in fraudulent credit transactions of $1,000 or more in 1 year which affect interstate commerce can be fined up to $10,000 or imprisoned up to 10 years or both;

Twelfth, the disclosure provisions of the Truth in Lending Act are amended to resolve certain difficulties encountered by the Federal Reserve Board in administering the act.

NEED FOR LEGISLATION

Many of the billing problems experienced by consumers are a reflection of the phenomenal growth of credit cards and the use of computerized billing systems. A 1970 House committee report estimated there were 300 million credit cards in circulation with new cards being added at the rate of 100 million a year. Sales generated by credit cards exceed $50 billion and over 50 million Americans carry at least one credit card. That is about one-half of the adults; about 50 percent of our adults carry one, which is close to one per family.

The Federal Reserve Board reports that credit card accounts reached $17 billion as of June 30, 1971, up $2 billion from the previous year. Those who issue credit cards include commercial banks, retail merchants, department stores, oil companies, airlines, travel and entertainment companies, and others. Much of the growth in credit cards has been beneficial for the consumer, but new problems have also arisen which require corrective legislation.

RESOLVING BILLING ERRORS

Individual Members of Congress have received numerous complaints from consumers who have had considerable difficulty in resolving errors appearing on their monthly credit statements. The Federal Trade Commission has nearly 2,000 complaint letters from consumers who have had trouble in getting a billing error corrected. The Department of Consumer Affairs of the city of New York testified that it has received a large volume of complaints about unfair billing practices. Similar complaints have been received by consumer protection agencies throughout the country. A survey taken by the Minneapolis Tribune shows that one out of every three consumers has had at least one billing error problem.

Just think of it. This is not something rare that we are dealing with; it is something that is extremely common. One-third of the consumers—let us look at it another way, one out of every three voters—has had this experience.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PROXMIRE. Mr. President, was this taken out of the Senator from Utah's time?

The PRESIDING OFFICER. Two minutes were taken out of his time.

Mr. PROXMIRE. I yield myself an additional 10 minutes. I thought I was being very careful, because I was pretty careful in analyzing this, but I do not dispute it. I will not question the Chair.

As evidence of the widespread concern over billing errors, my subcommittee

took testimony from 16 consumers, some of whom traveled great distances at their own expense to testify on the need for Federal legislation to curb unfair billing practices.

Most consumer complaints about billing errors involve a common pattern. In a typical case, a consumer might discover a billing error on one of his monthly charge account or credit card statements. Or he might need further information about a particular item appearing on his statement. He then writes to the creditor but receives no satisfactory response. In the meantime, he is besieged with a series of computer-written dunning letters, each more menacing than the last. These letters often threaten the consumer with a bad credit rating or other legal action unless he pays the disputed amount.

After months or years of carrying on a one-sided correspondence with a computer, many consumers give up in frustration and pay the disputed amount even though they may feel they do not owe it. Others manage to get their dispute resolved through sheer persistence, although it may take many months or even years of patient letter writing. Some are able to get their billing problems straightened out by writing to the president of the company or to their Congressman or Senator. A few hire attorneys to press their claim. One consumer witness spoke of spending $150 in legal fees to settle a $22 billing error.

The heavy volume of consumer complaints led the FTC to propose a trade regulation which would have prohibited creditors from attempting to collect a disputed amount until the creditor gave an adequate explanation as to why the bill was correct—FTC notice dated October 8, 1970. However, there was some controversy as to whether the scope of the FTC's proposed regulation could cover commercial bank credit card plans since banks are exempt from the Federal Trade Commission Act. The Commission agreed to postpone its regulation when it appeared that Congress might enact similar legislation which would clearly apply to all segments of the credit industry—FTC release dated January 7, 1971.

The bill deals with these consumer complaints by requiring the prompt and orderly resolution of billing disputes within two complete billing cycles, but, in no event, later than 90 days. The legislation applies to all consumer credit transactions and to all segments of the consumer credit industry including commercial banks, retailers, petroleum companies, and the issuers of travel and entertainment cards.

THE SHRINKING BILLING PERIOD

Another typical consumer complaint involves the so-called shrinking billing period, where a creditor mails his monthly statement so late that a consumer has only a few days to make payment in order to avoid a finance charge. Most credit card plans require payment within 25 to 30 days from the end of the previous billing period. However, the actual time remaining before payment is due can be considerably shortened if a creditor is late in sending out his bills. The FTC has received nearly 500 letters from consumers who have complained about the shrinking billing period. In one example, a consumer could not have avoided a finance charge even if he sent his payment back on the same day he received his bill.

There may be legitimate reasons for delay in mailing billing statements. Nonetheless, some may be tempted to decrease the time available for payment as a method for increasing finance charge revenue. Many consumers are paid twice a month and are not able to pay their credit card bills until their next paycheck is received. These consumers may thus be required to pay finance charges at an annual rate which generally runs 18 percent because of the creditor's delay in mailing its billing statement.

The bill deals with the problem by requiring creditors to mail their billing statements at least 14 days before a payment must be made to avoid a finance charge. If a creditor fails to provide 14 days for payment he is prohibited from collecting any finance charges on the amounts billed for that period.

PROMPT CREDITING OF PAYMENTS

Another common billing problem involves a creditor's failure to credit promptly a consumer's payment on his charge account. Many revolving credit plans require payment within 30 days to avoid a finance charge. If a consumer pays on the 30th day, he may still be assessed a finance charge if a creditor fails to credit his payment as of the date it was actually received. Consumers who make their payments on time should not be penalized for bookkeeping delays by the creditor.

S. 652 deals with this problem by requiring the prompt posting of payments on revolving charge accounts in accordance with regulations of the Federal Reserve Board. The bill gives the Board some flexibility to handle the case of creditors who may not be able to post a payment on the date it was received. However, the committee specifically intends that a consumer shall not be penalized if he makes his payment on or before the due date since creditors are specifically authorized, under section 210 of the bill, to give consumers an additional grace period from the time payment is due before imposing a finance charge. This additional grace period may vary, depending on the creditor, but it is expected that it will not exceed 7 days.

EXCESS PAYMENTS

While not a frequent complaint, some consumers have encountered difficulty in having excess payments refunded or credited to their account. The hearing record contains a case of a consumer who was unable to obtain a cash refund for a $100 overpayment to an oil heating company at the end of the winter heating period. Instead, her account was credited so that the only way of getting her money back was to make additional oil purchases the following fall. In the meantime, the creditor had the use of the money.

Most credit grantors will promptly credit excess payments to a customer's account or make a cash refund if requested. The bill would require all creditors to adhere to these standards.

CASH DISCOUNTS

Another problem arising out of the use of bank or travel and entertainment credit cards is the inability of the merchant to offer a cash discount to customers who prefer to use cash instead of a credit card. The typical bank-merchant agreement forbids a merchant from offering a discount to cash buyers. A small merchant has little or no bargaining power with a large credit card issuer and must generally accept these terms if he wants to participate in the credit card plan and compete effectively with other retailers. The chairman of the FTC has testified that such agreements raise serious antitrust law questions and similar thoughts were expressed by the spokesman for the American Bankers Association.

Under a typical three-party credit card plan, the merchant honoring a credit card sends a copy of each sales draft to the card issuer and receives payment at a discount which usually runs between 3 to 5 percent. This discount compensates the card issuer for the expense involved in operating the credit card plan. The merchant might be willing to offer a similar discount to his customer in return for paying cash, but he is precluded by the terms of his agreement with the card issuer. Therefore, his prices to both cash and credit customers must anticipate the payment of discounts to card issuers on credit card transactions. The cash customer thus pays for some of the costs of the credit card system without realizing the full benefits of that system.

The legislation would provide some relief to cash customers by prohibiting agreements between card issuers and merchants which forbid the merchant to offer a discount to cash customers. The legislation does not require merchants to offer discounts to cash buyers, but it does give him the option of offering a discount if he so desires.

In order to facilitate the offering of cash discounts, the legislation also exempts such transactions from the disclosure provisions of the Tuth in Lending Act provided the discount does not exceed 5 percent and its availability is disclosed and offered to all prospective buyers. The Federal Reserve Board has already exempted transactions involving discounts of 5 percent or less from the annual percentage rate disclosure requirements of the Truth in Lending Act. However, the other disclosure requirements of truth in lending currently apply including the disclosure of the cash price and the amount of finance charge. These additional requirements may have the unfortunate effect of discouraging cash discounts. Accordingly, the committee has exempted such transactions from all truth in lending requirements under Federal Reserve Board regulations.

TIE-INS

A related provision of the legislation prohibits credit card issuers from requiring that merchants maintain deposits or purchase other services as a condition for participating in a credit card plan. Hearings held by the House Select Committee

on Small Business in 1970 revealed that some bank-merchant agreements required the merchant to open a deposit account with the issuing bank in order to join the credit card plan. These agreements raise serious antitrust questions and should be prohibited by public policy.

OFFSETS

Consumers often find their legal rights eroded on bank credit card plans through the common practice of offsetting a credit card debt against funds held in a consumer's checking or savings account. These funds can be attached through the practice of offset without any recourse to the courts and in spite of any valid legal defense the cardholder may have against the bank. A bank thus obtains a unique leverage over the consumer since it is acting as a depository financial institution as well as a credit card issuer. Any other creditor would have to apply to a court before being permitted to attach funds in a borrower's deposit account.

The bill would prohibit banks from offsetting a cardholder's debt against his deposit account unless the cardholder agreed in advance to authorize the offset and was given 10 days to rescind the offset in the case of any dispute. This will permit the continuation of bank plans which call for offsets as long as the consumer is given an opportunity to rescind the offset if he has a dispute about a specific transaction.

I have an amendment I would like to offer as soon as I can, but I reserve the remainder of my time. It may be that the distinguished Senator from Utah would like to speak before amendments are offered.

Mr. BENNETT. Mr. President, I have a number of amendments, also, which I understand will probably be accepted, but I think probably we should get the opening statements out of the way before we get into the amending process.

I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, it has been difficult to weigh the equities in all of the considerations which we had before our Banking, Housing and Urban Affairs Committee with regard to S. 652, the Fair Credit Billing Act, as introduced, and the proposals for amendment which were offered.

When our hearings on the proposed legislation began, I stated that the committee faced the problem of working out legislation that would contain a wise combination of solutions to problems. I added:

We have got to be careful of our approach because if we write all of these things into law, we may put a burden on the legitimate merchant which is so heavy that he will have to increase the cost of his merchandise or the cost of his credit to provide for all these possible contingencies.

There is such a thing as overkill, and we must be careful not to insist on that.

The Senator from Wisconsin replied:

I think there is great wisdom in what you say; I think we should be very careful, as you say. We can go too far in these areas. I never expected that the bill would be passed in the form in which we introduced it. That is the purpose of these hearings, of course.

I believe that the committee has done a remarkable job of considering the evidence presented at the hearings and the proposals offered both at the hearings and subsequent to that time and reaching reasonable conclusions. Many of the original proposals would have resulted in restricted credit and an increase in costs of credit granting. The bill has been amended to take into consideration the realities of credit operations and the limitations that exist. The committee worked hard to develop a bill that would provide maximum protection to consumers without jeopardizing legitimate credit operations.

Mr. President, one need only glance at the bill reported by the committee to discover that it is a much amended bill from the original S. 652 introduced last year. In fact, all after the enacting clause of the original bill was stricken, and a rewritten improved bill was substituted. The bill was supported by the entire committee and in that sense is a committee bill. However, in deference to the Senator from Wisconsin, the committee retained the number of the bill he introduced last year, S. 652. There is no doubt that the Senator from Wisconsin deserves much of the credit for this legislation and no one wanted to deprive him of that credit.

On Wednesday, March 15, at an executive meeting of the committee, S. 652 was ordered reported. The motion to report the bill as amended was made by the Senator from Wisconsin who, as I have stated, was the author of the original bill. The committee bill was reported without objection from any member of the committee.

It was a foregone conclusion, of course, that the Senator from Wisconsin would report the bill to the Senate since it was an amended version of his bill. No indication to the contrary was given throughout the entire consideration of the bill. That the Senator from Wisconsin's man on the committee staff thought the Senator from Wisconsin would report the bill is evident also, because the original draft of the report which he developed and of which I have a copy had the Senator from Wisconsin listed on the title page as the one who reported the bill from the committee to the Senate. The original draft report was not satisfactory to some members of the committee because we felt that some of the provisions turned down by the committee were of such importance that the committee action on these deleted provisions should be discussed in a separate section of the report. Knowing that it might be difficult for one who had helped develop the provisions which the committee turned down, to discuss the reasons for the committee decisions, an offer was made by another staff member of the committee to draft those discussions. This offer was not accepted, and when the draft was made available to members of the committee, there were those of us who felt that the suggested report language did not represent the action taken by the committee. In fact, it was not too dissimilar from the individual views of the Senator from Wisconsin which accompany the committee report.

As I indicated in my earlier questions to the Senator, we have here a very anomalous situation. He is reporting the bill and controlling the time in support of it, but he is in opposition to the bill, and I, who am speaking in support of the bill, have the time in opposition.

As one who has often been in the minority on proposals reported from the committee, I am very well aware of the rights of individual committee members whose views are rejected by the committee to file minority views, dissenting views, or individual views, taking any position desired. However, I do not recall a single case in which the position not accepted by the committee has been argued in the body of the majority report from the Banking Committee in language indicating opposition to the action taken by a majority of the members of the committee. It was explained that the committee report should describe and support action taken by the committee. Apparently, the Senator from Wisconsin was unwilling to report the bill unless the report indicated support for provisions which the committee had, in fact, turned down.

Mr. President, all the members of the committee knew that the Senator from Wisconsin intended to submit individual views to the report, but I am sure that many of the members of the committee were surprised with both the form and the content of the individual views submitted by the Senator from Wisconsin regarding S. 652. I believe that it is worthy of note that he was not joined in signing his views by any other member of the committee. A reading of the views is sufficient to learn the reason for that fact.

I would like to discuss a few of the statements in the individual views of the Senator from Wisconsin which concern me. I regret that this is necessary but feel it is important that what I feel are misstatements not be left in the record unquestioned.

I am surprised that the Senator from Wisconsin would be critical of a provision dealing with penalties for the fraudulent use of credit cards. He certainly was not critical of these provisions in the committee and disregarded objections of the Justice Department. Fraud has always been an area of government involvement and interstate fraud has always been an area of involvement of the Federal Government. The Senator says that "we should not foster the illusion of reform while accomplishing little." I think the Senate should know that we are not trying to foster any such illusions in this legislation. The bill does just what it states it does. The committee report explains exactly what the bill is intended to do and even contains a separate section, against the wishes of the Senator from Wisconsin, stating that the committee considered other provisions, that these provisions were turned down, and the reasons why they were turned down. I do not know how the committee could have been more forthright. I do not know how it could have done more to assure that there would be no misunderstand-

ing of its action. By including in its report this section on provisions not accepted by it, the committee focuses the attention of all who are interested on provisions that were turned down. There was no attempt to hide the action of the committee. The Senator from Wisconsin says, "No bill is better than a bogus bill." All who are interested should know that there is nothing bogus about this bill. I believe that the Senator really indicates why he decided not to report the bill which he had supported in both the subcommittee and the full committee when he says in his views that—

> The section of the report dealing with the provisions deleted by the committee was prepared by the committee's minority staff, presumably at the insistence of a majority of its members (although no vote was taken on the language), and in my view represents a one-sided account of the committee's deliberations.

I do not intend to argue whether the discussion of deleted provisions in the report is one-sided as stated in the individual views submitted by the Senator from Wisconsin. Those who read the report and the individual views can make their own judgment. I can, however, say that the section deleted by the committee is the result of contributions from the offices of several members of the committee from both sides of the aisle. Second, the report was prepared on behalf of a majority of the committee which included members from both the majority and minority parties. The Senator makes a point that no vote was taken on the language that appears in the report. It is not a practice in our committee that members take a vote on committee reports. However, I would like to say to the Senator from Wisconsin that the language of the committee report was made available to all members of the committee, and a majority of the members indicated that, in their view, it accurately represented the action taken by the committee. Indeed, the Senator from Wisconsin seems disturbed because the majority disagreed with his views.

I am surprised that the Senator from Wisconsin would suggest that the committee bill might be more accurately termed the "Bank Protection Act of 1972" instead of being titled the Fair Credit Billing Act. This puzzles me for several reasons. The first of these is that the bill reported by the committee contains virtually all of the provisions in his original bill requiring prompt and fair resolution of billing disputes, regulation of credit reports on disputed amounts, and sending of bills sufficiently in advance of the due date to allow payment without the imposition of a finance charge, prompt crediting of excess payments, prohibition of offsets without the consent of consumers, and the permitting of discounts for cash. To be sure, the committee amended these provisions so that they might be made more workable, but I doubt that the Senator from Wisconsin really wanted to deprive the committee of that opportunity since he said at the outset he did not expect the bill to be enacted without amendment.

The kindest way I can respond to the Senator's suggestion that this could be called the "Bank Protection Act of 1972" is to say that he sometimes seems to be given to overstatements. The bill has two titles. I find nothing in title I of the bill which lessens restrictions on banks and other creditors from those under which they now work. On the contrary, the provisions of title I impose new Federal requirements and restrictions on banks and other credit grantors, which do not presently exist in the law. All of these requirements and restrictions are intended to benefit consumers.

Title II of the bill has provisions not contained in S. 652 as introduced which are intended to improve the administration of the truth-in-lending law. Of the 10 provisions contained in that title, seven were recommended by the Federal Reserve Board and were accepted by the committee with little discussion, and with the support of the Senator from Wisconsin. The eighth was drafted at the request of the Senator from Tennessee (Mr. BROCK) to help reduce credit card fraud, and was supported by the Senator from Wisconsin. The ninth was one recommended by bankers, and would permit them to lengthen the grace period within which no finance charge would be imposed—a provision which is obviously beneficial to consumers. This provision was also agreed to by the Senator from Wisconsin. The last of the 10 provisions could possibly be termed protective of creditors because it provides a limitation on class action liability which would protect them from excessive class action liability where no damages are involved. It should be pointed out, however, that such protection was recommended by the Federal Reserve Board and applies not just to banks, but to credit unions, retailers, savings and loan associations, and all other institutions which are subject to the provisions of the Truth-in-Lending Act. Regardless of how one classifies this limiting provision on class action, it should also be made clear that it was proposed to the committee by the Senator from Wisconsin and the Senator from Wisconsin offered the amendment reducing the maximum liability from $150,000 to $50,000. This was done in the absence of a vote to strike the class action section or to remove any class action liability or a vote on the $150,000 level as a maximum. The only amendment to this section which the Senator from Wisconsin did not offer is a minor one to which he agreed, limiting the liability to 2 percent of net worth.

It does seem a little inconsistent now for the Senator from Wisconsin to say that the bill could better be called the Bank Protection Act of 1972.

The Senator from Wisconsin suggests that unless the legislation can be substantially improved, it is doubtful that the bill is worthy of congressional approval. The Senator has a right to oppose the proposed legislation if he feels that it is not worthy of support. However, I would like the Senate to know that this bill contains major benefits to consumers and that in my opinion it is worthy of the support of every Member of this body. Mr. President, let us not be misled by suggestions that this bill accomplishes little. Let us reject the claim that it is not meaningful legislation. Let us not consider it as fostering an illusion, and let us not entertain the misconception that it is a bogus bill.

When the bill dealing with billing practices of creditors was introduced, its sponsor cited a 12-point program which he called a bill of rights for the consumer, and subsequently he admitted that his bill may have gone too far in some areas. Nine of those twelve original points are included in the bill reported by the committee with improvements that have made them workable. Furthermore, additional protections were added as a result of the committee deliberations.

Instead of being critical of the committee bill, the sponsor should be grateful to the committee for working out provisions that would provide the protections which he apparently intended in these nine areas, without completely disrupting credit card programs which are beneficial to consumers, and without unduly burdening creditors with procedures which were either impracticable or which would inevitably result in higher costs of credit operations, which costs, as we know, would eventually be paid by consumers.

Let me explain why I believe this bill is worthy of the support of every Member of this body. The committee bill protects consumers by requiring creditors to acknowledge both requests for information and customer billing disputes within 30 days and to provide the requested information or resolve the billing dispute within two billing cycles but not to exceed 90 days. Creditors who do not meet these requirements forfeit the amount in dispute up to $50 whether or not the bill was in error. The Senator from Wisconsin may think that this is an illusion. I do not. It is directly responsive to the problem expressed by the overwhelming majority of individual consumers who testified at our hearings.

Consumers are also protected from receiving letters or being subject to other actions to collect a disputed amount, nor can such amounts be reported as being delinquent, before an explanation is given to the consumer justifying the amount in dispute. Thus, the consumer is protected from harassment if he asks for additional information or if he questions a bill. In addition, he is assured that asking for additional information or disputing an amount on a bill will not result in jeopardizing his credit rating.

After a creditor has explained a bill, if a customer still disputes the bill, either with or without any basis, a creditor is prohibited from reporting the disputed amount as delinquent to a third party, such as a credit reporting agency, unless the creditor also notifies the customer and informs the agency that the amount is in dispute. If such a report is made, the creditor must also report any subsequent resolution of the dispute to the third party or the credit reporting agency. Thus, by simply disputing a bill, a consumer can be assured that no negative report will be given to any third party without his knowledge and a statement that the bill is disputed by the consumer. I do not consider this protection to be an illusion nor do I consider it to be bogus or meaningless.

Consumers must receive a brief identification of each transaction on their monthly billing statements; each billing statement must contain an address of the billing agency which is to be used by the customer whenever he wishes to question the account. Moreover, the customer is to be informed when opening an account, and at least twice a year thereafter, of the protections granted to him by this legislation. Those protections include having the creditor prove that he, the customer, was involved in a transaction, that the transaction was made for the amount indicated on the bill, and that the amount indicated on the bill or any portion of it has not been paid. I certainly do not consider these provisions to be an illusion nor do I consider them to be bogus.

Unless the billing statements on open-end accounts are mailed to customers at least 14 days prior to the time when the account may be paid in full in order to avoid a finance charge, the creditor may not impose a finance charge for that period. This assures that if a period of time is granted by a creditor during which a consumer may make full payment and avoid a finance charge, he must be given a reasonable period of time after receipt of his bill in which to make that payment.

The bill requires that payments by customers on their accounts be promptly posted in accordance with regulations of the Federal Reserve Board. This is to assure that creditors do not unnecessarily delay posting of payments in order to increase the revenue received from finance charges.

Excess payments must be promptly credited to accounts and refunded to customers if they so request.

Credit card issuers cannot prohibit those who accept such cards for goods or services from offering a discount to customers for payment of cash or with a check instead of using the card system for payment.

Card issuers are prohibited from offering a customer's credit card debt against a checking or savings account unless the customer has agreed to such offsets and is allowed 10 days in which to rescind the offset, should he change his mind.

Mr. President, these are the protections granted consumers and the requirements placed on creditors that the Senator from Wisconsin refers to as meaningless, illusions, and bogus.

This bill is no illusion, and there is nothing bogus about these protections included in its provisions. In fact, the committee bill is one of the most far-reaching, if not the most far-reaching, consumer protective measure in terms of regulating actual consumer credit practices that has ever been considered by Congress.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator from Utah has used 24 of his 60 minutes.

Mr. BENNETT. I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. I yield to the Senator from Tennessee such time as he may require.

Mr. BROCK. Mr. President, the Fair Credit Billing Act now before the Senate represents an important step towards protecting consumers against the frustrations of inaccurate and unfair billing practices, as well as from credit card fraud.

Before going into the merits of the legislation, I would like to commend the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Massachusetts (Mr. BROOKE) for introducing the original legislation. I was pleased that the distinguished chairman of the committee, the Senator from Alabama (Mr. SPARKMAN) so promptly ordered hearings and an executive session on this legislation. The members of the Subcommittee on Financial Institutions worked diligently to perfect the original proposal into a workable piece of legislation.

Since there has been a misleading news account of the role that outside interest groups played in the consideration of this legislation by the committee, I would like to take this opportunity to set the record straight.

I have particular reference to the charge that the banking lobby intruded itself into the committee's considerations in an attempt to gut the bill. Nothing is further from the truth.

When the bill was introduced, like so many proposals before hearings and executive sessions, it was far from a perfect piece of legislation. In fact, in its original form it would have had an opposite effect than that intended. Many of the provisions of the bill would have been extremely costly for the consumer. Its effect would have been to deprive many small businesses of the ability to extend credit to their customers and would have created a monopolistic environment for the large financial institutions. It would have stifled the growth of the technology to enable us to live in a cashless society. Many sources of credit to the lower income groups would have dissolved, and the bill had no provision to protect the consumer from credit card fraud.

Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System—the agency that has the responsibility for administering the Truth in Lending Act—wrote the committee on August 23, 1971:

> Some of the problems dealt with in the bill are definitely in need of attention, but there is a possibility that legislation in the area, unless devised with great care, may involve greater disadvantages than benefits to consumers. For example, heavy expenses (some of which seem unavoidable and all of which ultimately will be borne by consumers) will be associated with some proposed requirements. Also, additional disclosure requirements may have the paradoxical effect of obscuring and deemphasizing those disclosures which are already being made under Truth in Lending.

First, let us look at some of the problems that the original bill would have created for the very person—the consumer—that the legislation is intended to protect.

The Chairman of the Federal Trade Commission, who saw a need for legislation in the area, testified before the subcommittee that section 164 of the original bill might well induce creditors to eliminate the option consumers now have to avoid payment of a finance charge. This, in effect, would have eliminated the "free period" of from 30 to 45 days that most customers have before a finance charge is imposed on an outstanding balance. This cost to the consumer would run into millions of dollars.

There was also testimony that section 163 requiring a 21-day billing period would have made it very difficult for small creditors without sophisticated electronic equipment to operate and would have tended to eliminate the free period. The consumer would thus be denied convenient, competitive sources of credit.

As Chairman Burns pointed out in his statement, there were many technical provisions in the original bill which would have made compliance costly. This cost would also ultimately be borne by the consumer.

Of equal concern to me is the effect that some of the original provisions of the legislation would have had upon small business. As the House of Representatives Select Committee on Small Business concluded from its recent study of the impact of credit cards on small business, bank charge card programs provide the small retailer "with a capacity for credit sales he would not otherwise have," and provide "small businessmen with a competitive tool which can be used in competing with larger retailers or retail chains which can afford their own credit system."

Recognizing that bank cards are convenient to the consumer and a competitive tool for the small businessman, the House committee warned that credit card users "should not be so regulated or harrassed that they are forced to discontinue operation."

One witness before our committee testified that small merchants in Missoula, Mont., accept the bank cards because of acceptability and security. The provisions of section 169 that would have permitted card holders to withhold payment for merchandise received, would destroy acceptability of bank cards and deprive consumers and small merchants of their benefits in that community. Many merchants in small communities in Tennessee who rely on tourist trade tell me the same story.

Also, many small merchants were equally concerned with section 164 which would have required that the base for computing finance charges be the "adjusted balance" method, and it would have prohibited the use of the "previous balance" method and cast a question on the use of "average daily balance" method. The "previous balance" method is a convenient method of computing service charges and one often used by small businessmen who cannot afford electronic equipment to compute the more complex "adjusted balance." This provision would place the Federal Government in the role of regulating finance charges and interest rates. This is now determined by State law. It is not at all clear what effect such regulation would

have on small businesses, and the matter of the effect of regulation on the availability of consumer credit is now under study by the National Commission on Consumer Finance. The majority of our committee felt it would not be prudent for the Federal Government to venture into these uncharted waters at this time.

Other original provisions of the bill would be so costly and difficult to comply with that they would effectively preclude many small businesses from offering credit and force them to use bank credit cards.

Area charge cards are the most revolutionary development in our monetary system since the advent of negotiable instruments. Since bank cards have accounted for more than 50 percent of the total increase in revolving credit during the past 3 years, the future portends an even greater role for this development in our economy. The credit card provides great conveniences for the consumer by eliminating the need to carry large amounts of cash and permitting the consumers to make credit purchases while traveling away from home. But many provisions of the original bill would have impeded this growth.

The requirement of section 2 of the original bill for an identification on each billing of the goods or services purchased would make computerization of billing difficult, if not impossible. The prohibition of offsets in section 166 would have denied the consumer the right to request a bank to completely automate his account. This would have outlawed bank preauthorization payment plans involving the automatic debiting and crediting of bank depository accounts when related to credit cards. With this provision the consumer's bills could no longer be handled electronically.

In sum, many provisions in the original legislation were totally unworkable and not in the interest of the consumer or the small businessman.

This was recognized by the distinguished chairman of the Subcommittee on Financial Institutions when he was hearing testimony from Mr. Kenneth V. Larkin representing the American Bankers Association. On October 29, 1971, the chairman stated:

> Frankly, I am disappointed, Mr. Larkin, that you haven't come forward with at least some kind of construction recommendations in the event there is legislation.

The chairman continued, speaking of the bill, S. 652:

> I know you gentlemen can improve it.

He added:

> I want your advice—it would be very helpful to us, in the event we do pass legislation, that we take action that will not stem what has been a very useful, very fine spur for our economy, great benefit to our consumers.

He also stated:

> That's why you gentlemen are here, why we want you to continue to advise us on this. We certainly don't want to do anything that would interfere with the great advances in technology that have been developing here.

He continued:

> Before I yield to Senator Brock, let me just say once again on the assumption there is legislation, would you provide for the record specific amendments to S. 652 which you feel will make the bill workable, or more workable, and less onerous for the banking industry?

As a result of this specific request, on February 16, 1971, the American Bankers Association sent a letter signed by their executive director, Charles R. McNeill, to Senator PROXMIRE as chairman of the Subcommittee on Financial Institutions, transmitting specific recommendations for modifying S. 652, along with a comparative analysis of their proposal and S. 652. The McNeill letter asked the subcommittee chairman, if he, or some other member of the subcommittee, would introduce the proposal as an amendment "so that other Senators and their staffs may have a better opportunity to study the specific proposals it contains."

The American Bankers Association sent me a copy of this material. In order that other Senators and their staffs would have an opportunity to study these proposals, and upon request and without commitment to the provisions of the amendment, on February 23, 1972, I introduced the banking panel's suggestion in the form of an amendment in the nature of a substitute to S. 652.

Because there was an obvious need for amending the original legislation, the majority of the members of the subcommittee and the full committee acted favorably upon the suggestions to improve the bill made by the banking panel, retail groups, and small business interests.

Not only was S. 652 as originally drafted regressive and anticonsumerist in the ways already discussed; it also failed to deal affirmatively with one of the most serious problems that has confronted the "new currency" bank card mechanism. I am referring, of course, to the problem of credit card fraud, forgery, and theft. During the year ending December 31, 1970, member banks of the Federal Reserve System suffered losses of $115,549,000 or 3.9 percent of outstandings, a large portion of which was due to fraud, forgery, and theft. We must assume that ultimately consumers bear the costs of such losses. I was pleased that the committee added to the bill my amendment to protect the consumer from these losses by increasing the criminal penalties for the fraudulent use of credit cards.

The bill as it now stands is good legislation. It will protect the consumer by:

Requiring creditors to acknowledge customers' billing disputes within 30 days and to resolve these disputes within 90 days;

Prohibiting creditors from sending dunning letters or taking other action to collect disputed amounts or making adverse credit reports during this period;

Limit creditors right to report disputed accounts to credit reporting agencies;

Requiring a brief identification of each transaction on a monthly billing statement;

Requiring the mailing of billing statements at least 14 days prior to the date payment is due;

Requiring creditors to promptly post customers' payments;

Protecting merchants from requirements that they maintain deposits with the credit card issuers or provisions that would prohibit discounts to cash customers;

Prohibiting financial institutions from offsetting a consumer's credit card debt unless the consumer has agreed to such offsets;

Limiting a creditor's liability for punitive damages; and

Protecting consumers from fraudulent credit card transactions.

The committee bill is good legislation. It will help consumers resolve credit billing disputes in a fair and reasonable manner—I urge its enactment without crippling amendments.

Mr. President, I should like to address myself for a few moments to the statement of the Senator from Wisconsin (Mr. PROXMIRE) in his additional views, to the effect that "there were six major provisions stricken from the legislation." I am somewhat puzzled by this assertion.

Some of the items discussed as being stricken were never part of the legislation introduced by action of the subcommittee or the committee. Only one provision stricken by the committee, that dealing with minimum charges, was in the original bill introduced by the Senator from Wisconsin. Only two of the issues discussed as being stricken from the legislation were the subject of a committee vote in any form. Those two were the utility exemption from truth-in-lending requirements and the issue dealing with waiver of defenses.

The first item suggested by the Senator as being stricken from the legislation by the committee is a provision that would have restricted creditors from assessing finance charges on a credit balance before the date set for full payment. The fact is that this provision was never part of S. 652 at any time. S. 652 did contain a provision that would have prohibited creditors with open-end credit plans from using other than an adjusted balance method of determining a finance charge, if the plan embodied a period of time during which payment could be made without the imposition of a finance charge.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield?

Mr. BROCK. I yield.

Mr. PROXMIRE. I should like to point out that there is a misunderstanding. I think the Senator makes a good point. What I was discussing was not the original bill introduced, but a bill which I modified after the hearings and after we had the record and all the information. I had another proposal—I have a copy of it here—and if the Senator would like to inspect it, he will find all these provisions are in it. I introduced the bill which did contain some of the

provisions which I thought in the hearing were quite persuasive.

Mr. BROCK. The point is that the committee did not have before it the provisions that were stricken. It did not consider those provisions. As I have already stated, as a matter of fact, three were not even a matter of discussion.

Mr. PROXMIRE. On my time, let me say that the bill before the committee for markup was the bill that I hold in my hand and that contained the amendment which I made my original bill. That was what I tried to offer. It is true that I did not press some of the measures and they were not discussed in detail. The major ones were discussed in great detail and voted on.

Mr. BROCK. The Senator has correctly stated the point, that he did not press for consideration. We did not even discuss them. I think the clear implication is, in the additional views by the Senator from Wisconsin, that these were major topics of debate in committee. That is not so. Considering every element and aspect of this legislation from every point of view that I know of, to say specifically that the provisions were stricken from the bill is somewhat misleading insofar as the actual process of the committee is concerned.

Let me proceed with some of the specifics, if I may.

The quote taken from the Federal Reserve memorandum on the provisions of S. 652 was directed at the provision originally in S. 652 and not the provision on which the committee voted and which the Senator discusses in his views. Further, if the full Federal Reserve Board comment is read, it is evident that the Federal Reserve Board questioned the equity of the original provision on the basis that it would have prohibited other methods of computing finance charges which are also considered to be equitable. The Senator from Wisconsin never discussed or offered his original proposal in either the subcommittee or committee executive sessions. Presumably he, too, decided that it was inappropriate. It should be recognized that the provision which was discussed in the committee had a significantly different conceptual basis. I feel that I should point out that no member of the committee, except the Senator from Wisconsin, argued in favor of the proposal in the subcommittee. It was not even brought up for discussion during the full committee executive sessions. The committee report accurately describes the reasons why members did not support the proposal.

The Senator from Wisconsin claims that the committee deleted a provision which would have stopped the practice of billing consumers for undelivered merchandise. Such a provision was not contained in S. 652 as introduced, nor was there any action by the committee to include such a provision in the bill, so that in fact the provision was not deleted or discussed by the committee. The Senator from Wisconsin did suggest a provision which would have prohibited a cardholder from using his card for the purchase of goods or services to be delivered to someone other than the cardholder. His proposal would also have prohibited the use of a credit card for making a down payment on a contract for future delivery. The provision, however, could not have applied to third party card issuers whose credit card plans are similar to checking accounts with the substantial increases in their costs, and it was turned down by the committee. The Senator from Wisconsin suggests that the committee "apparently decided to delete this provision on the grounds that the bill already permits a consumer to withhold payment for undelivered merchandise."

The Senator should know exactly why this provision was not acceptable to the committee. The problems relating to the provision were discussed openly and frankly in the executive session. The provision was discussed in conjunction with the provision that now appears in the committee bill on this subject. I proposed an amendment which became the provision in the committee bill. The Senator from Wisconsin accepted my amendment as doing the trick.

In addition to supporting the amended provision, the Senator from Wisconsin supported the striking of the provision which he now questions in his views. The fact is, there was no opposition to the action taken by the subcommittee or in the meeting a week later of the full committee. In expressing his dismay at the committee action which he supported, the Senator says that under the provision in section 161, the creditor need only explain that the goods have been delayed and then he can continue pressing for payment.

The bill now clearly defines as a billing error:

> A reflection on a statement of goods or services not accepted by the obligor or his designee or not delivered to the obligor or his designee in accordance with the agreement made at the time of a transaction

Section 161 requires that before taking any action to collect the amount in dispute or any part thereof, the creditor must make appropriate corrections in the account or send a written explanation or clarification, after having conducted an investigation setting forth why the account is correctly stated, along with documentary evidence of its accuracy if requested by the customer. There is no way under that provision that a creditor could continue to press for payment by simply explaining that there has been a delay in delivery. The creditor must explain why the account is not in error. With the clear definition of billing error already discussed above, the creditor would be prohibited from seeking payment unless the customer had agreed to make such cash payments with delayed delivery at the time of the transaction. In other words, with the customer's consent. The Senator from Wisconsin suggests in his views that the committee deleted a provision to repeal the exemption presently provided for regulated public utilities under the Truth in Lending Act. As with most of the other provisions discussed by the Senator in his views, this was not part of S. 652, nor did the committee ever take action to include it in the bill. A proposal was offered by the Senator from Wisconsin in the subcommittee to delete the present exemption. That was turned down. The Senator did not even ask for a vote in the full committee. It is worthy of note that in its annual report for 1971 on the Truth in Lending Act, the Federal Reserve Board made many recommendations to improve the operation of the act. No recommendation was made, however, to delete the utility exemption. Further, the Members of the Senate should know that the Federal Trade Commission has not suggested any change in that regard. In fact, at a meeting held just a few days before the committee went into executive session, the Assistant Director of the Federal Trade Commission responsible for consumer credit and special programs, Sheldon Feldman, suggested that although the Commission had not taken any official action on the issue, he felt that it would not be appropriate to remove the exemption.

The Senator cites a decision made supporting removal of the exemption by the National Commission on Consumer Finance on February 23, 1971. That action by the Commission was highly irregular, since the Commission had earlier made it a policy not to become involved in legislative matters unless and until it had studied the issues and had made a factual basis on which to make recommendations. There is no indication that the action of February 23 was made on the basis of such studies. Members of our committee informally asked the Chairman and the Executive Director of the Commission if they would be able or willing to give their views on the provisions of S. 652, and they declined on the basis that they had not completed their studies and that it would not be appropriate to comment until they had.

Another of the six issues which the Senator says was stricken from the legislation dealt with a prohibition on mail solicitation of goods not offered in the normal course of business. The sponsor of this provision was in the hospital and the members of the subcommittee, in typical fashion, wanted to assure that it would be discussed fully by the committee. On that basis it was included by the subcommittee without any vote or any expression by a majority of the subcommittee regarding its desirability. When it was suggested in the full committee executive session that the provision not be approved, the Senator from Wisconsin stated, he had no objection to deleting it. No other member of the committee objected to its deletion either. I think it is decidedly one of the six examples of matter stricken from the bill.

The Senator from Wisconsin states that in addition to deleting major provisions which I have just discussed, the committee also seriously weakened the civil liability provisions of the Truth in Lending Act. Let me relate exactly what happened in the committee.

At the subcommittee level, there was a great deal of discussion of the issue, but it was again decided that because of the differences of opinion, it would be desirable to carry the issue over to the full committee without a vote.

In other words, it was without recommendation. When the issue was brought up at the full committee level, the Senator from Wisconsin offered a proposal providing for a maximum aggregate class action liability of $150,000. Without a committee vote on that proposal, however, he then further offered an amendment lowering the maximum liability from $150,000 to $50,000. The committee accepted the proposal of the Senator from Wisconsin without any objection. In addition, it was suggested that to protect small businesses, it would be desirable to have a maximum class action liability based on the percentage of net worth. And the committee, including the Senator from Wisconsin, agreed with that proposal as well. It seems somewhat strange to me now for the Senator to criticize his own proposal and to suggest that the committee seriously weaken the provision against his will when he was the one who suggested the changes.

Perhaps now that I have explained the action of the committee on these various provisions discussed by the Senator from Wisconsin in his individual views, it will be understandable why some members of the committee were surprised at the individual views of the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I call up my amendment.

Mr. SAXBE. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. Mr. President, yield myself time on the bill, and I am happy to yield to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. SAXBE. Mr. President, I would like to know whether S. 652 would subject the so-called convenience, no cost charge accounts to the truth-in-lending law. By convenience charge accounts, I mean the kind of account in which, for example, a patient goes to his doctor but instead of paying the bill at that time, he asks to be billed at the end of the month. Another example might be if a customer had an account at his drugstore and was billed for purchases at the end of each month. Specifically, would these types of credit be covered by the truth-in-lending law because of the change of definition of the term "creditor" which is found in section 103 of the bill.

Mr. PROXMIRE. The answer to that is that it would.

Mr. SAXBE. It would be covered?

Mr. PROXMIRE. That is my understanding.

Mr. SAXBE. Mr. President, as I understand that section, the intent of the committee in changing the definition of "creditor" is to bring under coverage of the truth-in-lending law, the issuers of travel and entertainment cards such as American Express, Diner's Club, and so forth. I have no quarrel with this. My question is whether or not the language is so broad that it would also cover any kind of credit transaction in which a person makes a purchase or receives a service and elects to pay for it at the end of the month rather than pay cash. I have in mind only those situations in which no finance charge is intended nor charged.

Mr. PROXMIRE. Mr. President, the Senator from Ohio and I discussed this matter. I think that he has made an excellent point. It was certainly my intent and I think the intent of other members of the committee that we should extend this in a way that would be inconvenient and would not serve any public purpose. However, the best way to handle it, it seems to me, is to discuss this matter on the floor and rely on the Federal Reserve Board which has authority to provide for regulations respecting the truth in credit bill. They have the authority to exempt any class of transactions and facilitate clients.

I would expect that in the case the Senator from Ohio has presented to the Senate this afternoon that if the Federal Reserve Board determined this would impose an undue burden on creditors it would issue an appropriate exemption.

Mr. SAXBE. Mr. President, I thank the Senator. As I understand it, though, each doctor, each dentist, each drugstore, or—as some of us still do in rural areas, run a charge account at a grocery store—each grocer would not have to go in and ask for exemption. They could be exempted as a class.

Mr. PROXMIRE. Yes, indeed. I am sure that is the case. They would not have to make an individual application. It would be done, as the Senator has said, for an entire class, or the Federal Reserve Board would exempt them.

Mr. BENNETT. Mr. President, I join with the Senator from Wisconsin in his statement of the intention of the committee. I would like to try to fortify his position for the benefit of the Federal Reserve Board when it is called upon to consider this situation. If, inadvertently, we brought every possible extension of credit under the meaning of the act, it was certainly not the intention of this member of the committee to do that.

I hope that the Federal Reserve Board will recognize that and issue regulations which would take out from under the function of the bill this group of creditors who have been designated in this discussion as convenience offerers of credit.

Mr. PROXMIRE. Mr. President, I thank the Senator from Utah.

Mr. President, I yield the floor.

Mr. BENNETT. Mr. President, I yield to the Senator from Texas such time as he might require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, the Fair Credit Billing Act which the committee has reported is a good bill, which I intend to support on the floor today. It gives the consumer some substantial assistance in getting those annoying billing errors corrected that most of us have encountered from time to time. It is truly a "proconsumer" bill, since it brings the consumer benefits without particularly penalizing the processes of commerce, upon which the consumer ultimately depends for his employment, his income, his goods and services, and his Government's tax revenue.

Mr. President, I might say at this point that I am getting a little tired of people who try to draw a dichotomy between producers and the Government. We are all consumers and we are all taxpayers in this country.

Many times the Senate is asked to vote for bills that their advocates claim are "proconsumer", when in fact all that these bills offer is a superficial "bonus prize" that looks good to the average citizen who does not have the full economic facts before him. When the full facts are analyzed, however, frequently the "bonus prize" aspect is more than offset by adverse changes in the underlying economic structure which must be made to adjust to the new consumer law.

For example, it would be very appealing to the consumer-voter for those of us in Congress to offer to wipe out the income tax on individuals and double the taxes on business firms. Almost everyone would look at that "bonus prize" of no personal income taxes as a delightful prospect. The various people who purport to be the definitive "consumer advocates" of our country would be proclaiming loudly that this would be an extremely "proconsumer" step, and that anyone who opposed it was a robber-baron and a child beater. The emphasis and attention would be wholly on the short-term "giveaway" aspect of the proposal, and the deeper interests of the consumer-citizen in having a sound base of commerce in the country to support employment, income, taxes, and to produce the goods and services he wants would be lost in the dust of a storm of populism.

Obviously, we cannot make decisions in Congress on that type of superficial popularity rationale. We cannot abdicate our responsibility to analyze the deeper economic impact of seemingly attractive "consumer" measures, especially those that seem to give the consumer something for nothing. There is always some adjustment that will have to be made in the economy to absorb a new piece of economic legislation, and our job is to evaluate the benefits and the costs of such measures and to make a well-balanced decision that is in the longer-run best interests of the American citizen. In the very short-run, the taxpayer might find his pocketbook a little heavier if we repealed the individual income tax, but over the longer run he would be living through another major depression that would leave him very much poorer than he started off.

In the bill before us, the same principle of careful analysis of the underlying economic impact was followed in committee, and a number of so-called "consumer" provisions in the original bill were stricken because of the adverse ef-

fects they would apparently cause to the other side of the consumer's interests—the existence of a basically sound economic structure to support employment, income, taxes, goods and services. The adverse impact of some of these provisions would certainly not be as serious as those that would be entailed in the tax-abolition example, but the same underlying principle of careful balancing of the advantages and disadvantages of legislative proposals caused the majority of the committee to believe that the ultimate disadvantages to the consumer-citizen did outweigh the apparent short-run advantages to him.

This does not at all mean that the committee majority opposed the goals of most of these proposals, which were basically oriented toward helping the consumer in the credit and merchandise marketplaces. The entire committee endorses the goal of improving the ability of the consumer to deal with the creditor and the merchandiser on a fair basis. The only question involved in each such proposal is what the disadvantages to the consumer may be that accompany such measures—do they in fact negate the economic value of the advantages to the consumer.

Also, in dealing with regulatory economic legislation, we usually face the question of whether the measures proposed at the Federal level would unnecessarily intrude upon the scope of regulatory powers that have traditionally rested with the several States. In many situations I have felt obliged to oppose Federal legislation that, while I may have thought it desirable in a substantive sense, was undesirable because the question under consideration was one with which the States had adequate authority and competence to deal. I do not like to see the Federal Government impose a uniform rule on a given subject every time Congress thinks it sees a solution to some problem, when the several States are fully capable of making their own individual determinations of their citizens' interests in such subject matters. This is one of the great advantages of the federal system of Government: the individual units of Government in the system can legislate for their own citizens on subjects where a vital and universal national interest is not involved, and this system of experimentation with Government is the essence of a successful, dynamic governmental structure in this country. It both provides more direct citizen control over government and a means of keeping the Federal Government from smothering the economy with its own inevitable inertia.

In many of the proposals that the committee deleted from the original bill, this question of proper maintenance of the federal system was inherent in our decisions and instrumental in persuading the committee to strike certain of the provisions. I strongly feel that unless we use restraint in the application of the potentially heavy Federal regulatory hand under the commerce clause of the Constitution, we will eventually smother our economy with unnecessary and obsolete rules and regulations. We need flexibility and generality in our economic rules if our businessmen are to be able to meet the fast-paced market and technological changes that they face. Well intentioned, but heavy handed, Federal regulation of the mechanics of the marketplace will ultimately harm the consumer's employment opportunities, his income potential, his Government's revenue, and the supply of goods and services available to him.

Hence I will argue against most of the amendments to the bill which will be proposed to the Senate today, because upon close examination in the committee the consensus of the majority was that either the proposals were not good for the consumer's deeper economic interests or were unnecessarily inimical to the maintenance of a federal system of government. I do intend to support the bill as it now reads because it contains provisions that on balance benefit the consumer and which by virtue of their mechanical natures justify uniformity of application across the various States.

I urge my colleague to support the bill as it now reads and to analyze closely the amendments which will be proposed to it before deciding whether in fact they are truly pro-consumer and pro-citizen, when all relevant factors are considered.

AMENDMENT NO. 1161

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1161.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 19, line 7, strike the quotation mark and insert the following:

§ 170. Rights of credit card customers

A card issuer who has issued a credit card to a cardholder pursuant to an open-end consumer credit plan shall be subject to all claims (other than tort claims) and defenses arising out of any transaction in which the credit card is used as a method of payment or extension of credit if (1) the obligor has made a good faith attempt to obtain satisfactory resolution of a disagreement or problem relative to the transaction from the person honoring the credit card; (2) the amount of such initial transaction exceeds $50; (3) the place where the initial transaction occurred was in the same State as the State in which the card issuer maintained a place of business; and (4) the amount of claims or defenses asserted by the cardholder does not exceed: (a) the initial amount of credit extended in connection with the initial transaction giving rise to the claim or defense provided the cardholder notifies the card issuer or person honoring the card of such claim or defense within three months from the date of such transaction; or (b) if the cardholder notifies the card issuer or person honoring the card of such claim or defense later than three months following the date of such transaction, the amount outstanding with respect to such transaction at the time of such notification. For the purpose of determining such amount outstanding in the preceding sentence, the payments and credits to the cardholder's account are deemed to have been applied, in the order indicated, to the payment of: (i) late charges in the order of their entry to the account; (ii) finance charges in order of their entry to the account; and (iii) debits to the account other than those set forth above, in the order in which each debit entry to the account was made.

The PRESIDING OFFICER. Is this the amendment on which the Senator has a 2-hour limitation?

Mr. PROXMIRE. It is.

Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 15 minutes.

Mr. PROXMIRE. Mr. President, I offer an amendment to provide for a modified repeal of the so-called "holder-in-due-course doctrine" on credit card transactions. Under the holder in due course doctrine, a consumer is required to pay a bank for shoddy merchandise purchased with a bank credit card even though he may have a legitimate claim or defense against the merchant which honored the card. My amendment would permit the consumer, under certain conditions, to assert the same claim or defense against the issuer of a credit card that he has against the merchant honoring the card. The consumer would thus not be required to pay for shoddy merchandise merely because it was purchased with a bank credit card or similar card.

Perhaps the best way to understand the holder in due course issue is to take a typical example. Suppose that Mr. John Doe Consumer has a charge account at a furniture and appliance store. He uses his charge account to buy a $500 color TV set. When he gets the set at home, he finds that it does not work at all. He calls the store, but the store fails to repair or replace the defective set.

Mr. Consumer obviously has a problem. He owes $500 on a TV set that does not work. However, in this case, he has a remedy. He can simply refuse to pay for the set until the merchant repairs it or replaces it. He has some bargaining power—some leverage because he is dealing only with the merchant. If the merchant sues to collect, the consumer can raise as a defense the fact that the TV set did not work. If a court agreed that the consumer had a legitimate defense to the merchant's suit, then the consumer would not be required to pay. Knowing this in advance, the merchant would have an obvious incentive to satisfy the consumer without going to court. Mr. Consumer has thus used his leverage as a credit customer to induce the merchant to stand behind his product.

Now let us take the same transaction, but make one slight change. Instead of using his charge account with the store, suppose Mr. Consumer buys the same TV set from the same merchant with his bank credit card. What is different? There are now three parties involved—the consumer, the merchant, and a bank.

Again, let us suppose the set does not work. Again, the consumer contacts the merchant for relief and again the merchant ignores him. Mr. Consumer thinks to himself "Why should I pay for this TV set that doesn't even work?" He tries to withhold payment on his credit card account with the bank. Then he receives

a rude awakening. The collection manager in the bank tells him about an obscure provision written on the back of his credit card. He must pay the bank regardless of any claim or defense he has against the merchant. The bank manager is sympathetic, but the result is the same. He must pay the bank for the defective TV set.

After this rude awakening, the consumer then goes back to the merchant. However this time, he finds the merchant much more difficult to deal with. The merchant has already been paid for the TV set from the bank. He sent the sales slip to the bank on the same day of the transaction and the next day he received the money for the set less the bank's customary discount. The merchant is perfectly happy. He made a sale. He has his money. He tells Mr. Consumer, "if you don't like the TV set, sue me."

The bargaining situation is now reversed. The merchant has the leverage and not the consumer. The consumer must initiate a costly law suit to recover his damages. In the meantime, he must still continue paying the bank for his unworkable TV set. The consumer has clearly been shafted by the antiquated "holder-in-due-course doctrine"—a doctrine he probably never heard of and didn't understand when he accepted the bank credit card. His legal rights and protections were taken away simply because he used a bank credit card instead of his account with the merchant.

Under my amendment, the consumer would be protected. He would have the same rights on three party credit card transactions that he now has on two party transactions. In the example I have given, he could withold payment from the bank. The bank would then have two options. It could sue the consumer or it could charge the item back to the merchant. If the bank sued the consumer, the consumer could raise as a defense the fact that the TV set did not work. If the court agreed with the consumer then he would not be required to pay.

If the bank thought the consumer had a legitimate defense, it probably would not bother with a law suit. Instead, it would simply charge the item back to the merchant. It would simply deduct the money for the set from funds it otherwise owed the merchant. The bank has the legal right to do this under the terms of its agreement with the merchant.

If the bank charged the TV set back to the merchant, the merchant would have the problem of collecting from the consumer. The consumer would then have the same leverage—the same bargaining power—that he would have if he had dealt directly with the merchant. The merchant could sue to compel payment. But if he thought the consumer had a legitimate defense, he probably would not do this. Instead, he would repair or replace the set.

My amendment thus restores the protections and rights which consumers surrender when they use bank credit cards or similar cards issued by third parties. It does not protect deadbeats. It does not prevent creditors from collecting legitimate debts. It does not impede the flow of commerce. It simply gives consumers the same legal protections on bank credit card transactions that they have on other credit transactions.

Why is my amendment needed? Because of the phenomenal growth of bank credit cards and their projected future growth. Credit outstanding on bank credit cards has grown from $1 billion to $4 billion over the last 3 years. Think of it. The bank credit card business has quadrupled in 3 years when the growth of the entire consumer credit industry was lagging. Some bankers are predicting that bank credit cards will account for over half the consumer credit extended within the next few years.

It is now possible to buy practically anything on a bank credit card—TV sets, furniture, major appliances, home improvements and the like. Just a few years ago, these items were financed by installment sales contracts or by revolving charge accounts operated by the merchant. Today, more and more are being financed by bank credit cards. And if the banker projections are correct, bank credit cards will dominate the credit industry in a few years. It is only a matter of time before cars can be purchased with a bank credit card. A few banks have already experimented.

As bank cards begin to replace conventional forms of credit, all of the legal safeguards which consumers have acquired on two-party credit transactions will be gradually eroded because of this antiquated holder in due course doctrine. Bank credit cards were never even thought of when the holder in due course doctrine developed in case law a century or two ago. Our legal system has lagged far behind technological innovations in the credit industry. The holder in due course doctrine no longer fits our modern created by the rapid growth of credit redress the imbalance in consumer rights created by the rapid growth of credit cards.

Actually, the holder in due course doctrine is already on the way out with respect to installment sales transactions. Thirty-two States have already acted to restrict the holder in due course doctrine on installment sales transactions. But these laws have a loophole. They do not apply to credit card transactions. The banks have set their credit card plans up in such a way that they are considered to be cash lenders rather than the buyers of installment contracts. By this legal device, most bank credit card plans have been able to escape the holder in due course restrictions enacted by the States.

Why can we not rely on the States to do the job? Why should the States not take care of this? Even if the States could be persuaded to close the loophole, there are sound reasons for Federal legislation. The bank credit card business is essentially national in scope. Two systems, Mastercharge and BankAmericard, account for over 95 percent of the bank credit card business. The cards issued under these plans are accepted in all 50 States. Those in the bank credit card business operate on a nationwide scale. They think national. They are huge and powerful. It is little wonder that the States have not been able to regulate them. As a matter of fact, it would be confusing and chaotic to subject these nationwide credit card plans to a hodge podge of conflicting and inconsistent State law. A national solution is needed to a national problem. Federal regulation is in the long term interest not only of the consumer, but of the bank credit card industry as well. It is most unfortunate that the position of the banking industry on this provision has been set by a small band of willful die-hards who cannot see the handwriting on the wall. I believe we are witnessing what I have termed "Gresham's law of trade association politics." That is, the position of any association on Federal legislation is set by its most obtuse elements.

Let us examine some of the arguments against my amendment raised by the credit industry and by the committee's majority report.

First, it is alleged that subjecting a bank to cardholder defenses would involve the bank in a policing function over retail merchants and that it would be inappropriate for banks to exercise this function.

Shoddy practices should be regulated by the Government and not the banking industry, according to this argument.

It is encouraging to note that the banking industry has suddenly become an advocate of governmental regulation of the retail industry. But whatever the motivation behind the banker's sudden change of heart, their argument completely ignores the fact that bank credit card issuers already exercise a policing function over retail merchants. The typical bank-merchant agreement enables the bank to charge an item back to the merchant if the consumer has a dispute about its quality. The bank also has an unqualified right to collect from the consumer under the holder-in-due course doctrine. Thus the bank is in a unique position. It has it both ways. It can collect from either the merchant or the consumer. In this situation, it is really acting as a judge. It reviews the dispute, decides who is right, and imposes liability for payment on either the merchant or on the consumer.

Although the bank is really exercising a judicial function, it does not have the impartiality of a court. It has a basic conflict of interest. It does business with both the merchant and the consumer. While it would like to retain the good will of both parties, its volume of business with the merchant is far more substantial than with the consumer. Is it any wonder, then, that in a close case, the bank will decide in favor of the merchant and against the consumer?

My amendment would take away the bank's unilateral power to impose payment on the consumer. Instead of giving banks a new policing function over

merchants, my amendment would restrict the policing function which banks are already exercising over consumers.

Another argument made by the banking industry is that it would be unfair to make a bank responsible for the misdeeds of a merchant over whom it has no control. A corollary to this argument is that the consumer himself has the responsibility to determine the reputability of a merchant, and if the consumer has a dispute he should pursue it with the merchant rather than the bank which merely financed the transaction.

These arguments conveniently ignore the basic elements of bank credit card transactions.

First, banks do have control over merchants by admitting them into the credit card plan. If a merchant is continually involved in customer disputes, he can be excluded from participation in the plan by the sponsoring bank. Without my amendment, banks would have an incentive to continue the participation of questionable merchants because of the business they brought in.

Second, the bank confers an implied stamp of legitimacy on a merchant by admitting him into the plan and permitting him to display the bank's decal on his window. Consumers rely upon this implied stamp of legitimacy when dealing with a merchant. If a bank wants a consumer to accept and use a bank credit card with confidence, it should be willing to stand behind the merchants who honor the card.

I yield myself an additional 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. PROXMIRE. Third, the bank always has the option of charging a disputed item back to the merchant, thereby recovering its investment. Given this option, it is hard to see how a bank would be unfairly penalized because of a merchant's misdeeds. Moreover, my amendment does not subject banks to cardholder defenses if the transaction took place out of State. Thus, a bank would not be responsible for reviewing the operations of out-of-State merchants.

Fourth, the consumer has a far more difficult time in recovering from a disreputable merchant for shoddy merchandise. The merchant may have gone out of business. Or if still in business, he may use delaying tactics to impede recovery. Since the merchant has already been paid for the shoddy goods by the bank, he has less of an incentive to settle with the consumer. The holder-in-due-course doctrine gives all of the leverage to the bank or the merchant. My amendment would restore some of this leverage to the consumer.

A third argument raised by bankers is that my amendment would somehow retard the development of the "cashless society," a plan which bankers have to replace currency and checks with bank credit cards. Whatever the merits of the so-called cashless society, my amendment would not affect its development. First of all, my amendment does not apply to transactions under $50. These are the typically cash transactions which the cashless society is intended to replace with credit cards. However, transactions over $50 are typically credit transactions. A consumer's existing legal rights on credit transactions should not be destroyed simply through the use of a bank credit card. Second, the profitability of bank credit cards should not be adversely affected by my amendment since a bank still has the legal power to charge a disputed item back to the merchant.

Finally, it is argued that we should leave the whole issue of holder in due course legislation to the States. This has become a recurring cry of those who are opposed to effective reform legislation. As I have already indicated, the credit card business is a national business and regulation at the Federal level is needed to insure uniformity and fair treatment.

Mr. President, while many of the arguments against my amendment assume a complete abolition of the holder in due course doctrine on credit card transactions, this is simply not the case. My amendment has a number of conditions which a consumer must meet before he can assert a claim against a bank or other credit card issuer. These conditions are designed to eliminate all of the legitimate objections and fears raised by the credit industry in testifying against a complete repeal of the holder in due course doctrine. Here are the conditions:

First, my amendment requires that before a consumer can assert a claim or defense against a bank credit card issuer, he must first make a good faith attempt to obtain satisfaction from the merchant. This is intended to eliminate frivolous disputes on the part of consumers who have made no attempt to get their money back from the merchant.

Second, the amount of the transaction giving rise to the claim or defense must exceed $50. As I indicated, this is intended to eliminate those transactions where a credit card is merely a substitute for a cash transaction. My amendment would thus apply primarily to those transactions where a credit card is a substitute for the merchant's own credit plan.

Third, the transaction must have occurred in the same State in which the card issuer maintained a place of business. This is intended to counter industry objections that a bank is not capable of reviewing the operations of distant merchants.

Fourth, the amount of the claim or defense cannot exceed the amount of credit originally extended if notification is made within 3 months, or the amount actually owing at the time of notification if made later than 3 months. The purpose of the 3-month period is to give consumers a reasonable opportunity to discover product defects before asserting a claim or defense. There are some who feel that the 3-month waiting period should be eliminated and that the consumer should be permitted to assert a claim or defense against a bank only for the amount actually owing at the time such notification is made. I believe this would put an unreasonable burden on consumers since an item purchased with a bank credit card can be paid for before the consumer realizes there is something wrong with the product.

The problem arises because of the common method for determining the amount owing for an individual item purchased with a credit card. Some State laws use the so-called first-in-first-out method or FIFO.

Here is why a consumer really can be put in a disadvantageous position with the "first in-first out" method, or FIFO. Under the FIFO method, partial payments to a revolving charge account are allocated to individual transactions in the order of their occurrence. Thus if a consumer purchased an item for $100 with his bank credit card on the first of the month, any partial payment he made would be allocated first to that purchase. If he subsequently discovered the merchandise was defective, the chances are that he would have already paid for it, thus eliminating his right of recovery. On the other hand, if he purchased the same item toward the end of the month, the chances are that he could assert a claim for the full amount. A consumer's rights should not be arbitrarily affected by the timing of his purchases. I, therefore, believe it is essential that he is given a 3-month period to notify the bank or the merchant of any claim or defense before limiting his right of recovery.

A repeal of the holder in due course doctrine was strongly supported during the hearings by the Federal Trade Commission and by consumer protection organizations. Moreover, a modified repeal of the doctrine, along the lines of my amendment, is supported by leading bank attorneys. The Senate Banking Committee narrowly rejected a similar modified repeal by a vote of 8 to 7. However, it is significant to note that the chairman of the committee, Senator JOHN SPARKMAN has filed individual views indicating that he is in favor of restrictions on holder in due course at least as strong as the present State law in Alabama. Since Senator SPARKMAN voted with the majority in rejecting a holder in due course provision, I believe his individual views are most important. They indicate that a majority of the committee is in favor of some kind of restriction on the holder in due course doctrine on credit card transactions.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BENNETT. Does the Senator know that the State law in Alabama does not apply to credit cards?

Mr. PROXMIRE. I am told by my staff assistant that we are not sure about the laws of Alabama, but it was my understanding that when the Senator from Alabama (Mr. SPARKMAN) filed his individual views that was his understanding. I cannot speak for the Senator from Alabama, and he is not here.

Mr. BENNETT. It is hard for the Senator from Wisconsin or me to say what the understanding of the Senator from Alabama was.

Mr. PROXMIRE. Let me read what

the Senator from Alabama said in his individual views:

> A few states, including my own state of Alabama, have adopted the language suggested in the proposed Uniform Consumer Credit Code drafted by the National Conference of Commissioners on Uniform State Laws which I understand applies to credit card transactions as well as installment sales transactions. I believe this law is working very well.

That was his understanding, according to his individual views in the report, at page 21.

Mr. BENNETT. The Uniform Consumer Credit Code does not apply to credit cards. The Senator from Alabama had a misunderstanding. When the Senator gets through, I will try to show that the Uniform Consumer Credit Code does not apply to credit cards.

Mr. PROXMIRE. Mr. President, I am almost through.

In summary, Mr. President, the basic issue is quite clear. Consumers should not be required to pay for shoddy merchandise because of a legal technicality. It is as simple as that. We need Federal legislation to prevent a serious injustice to the American consumer. I know that the banking industry has waged an intensive lobbying campaign against this amendment. I am sure that many Members of the Senate have received numerous telegrams from hometown bankers predicting the collapse of the economy if this amendment should pass. No doubt these banker communications far outweigh letters from consumer groups in support of the amendment. But make no mistake about the issue. This is the year of the consumer. Consumers are more organized, more articulate, and smarter than ever before.

The Senator from Texas said we are all consumers and all producers.

We are not all producers. Those still in school who have not yet started to work are not producers. Those who are retired are not producers. Those who are in a position of dependence, for whatever reason, may not be producers. But we are all consumers, every one of us. I would agree with the implication of the Senator from Texas that we are all equally important, and entitled to be treated with fairness from both sides. Unfortunately, we do not usually think of ourselves as consumers, and the producers have had their day. But I think the time will come when we will all consider that we have at least equal rights as consumers with those we have as producers.

In an election year when consumer issues have come to play an increasingly important role, the American voter will be carefully watching the action of the Senate today. We have a great opportunity to speak out for the consumer and demonstrate that the Senate does not knuckle under to a powerful and entrenched banking lobby. I urge the Senate to approve my amendment.

Mr. President, I yield the floor and reserve the remainder of my time.

Mr. TOWER. Mr. President, will the Senator from Utah yield me 4 minutes?

Mr. BENNETT. Mr. President, I yield the Senator from Texas such time as he may require.

Mr. TOWER. Mr. President, one of the items which the committee decided to delete from the bill was the provision to repeal the holder-in-due-course doctrine from application to third-party credit-card operations. The proponents of the provision argued that it was needed in order to give the consumer a better remedy against shoddy merchandise and misleading merchandising practices, since they could then refuse to pay the third-party creditor any time they felt they had a grievance against the merchant involved in a transaction.

While I agree, as do all of my colleagues on the committee, with the sentiment against bad merchandising and poor quality goods that was expressed in this provision of the bill, the majority of us felt that the mechanism by which the consumer was to be given these additional rights in this situation had several disadvantages. We felt that there were three major problems associated with the repeal of the holder-in-due-course doctrine in this situation which is, by the way, a common-law doctrine:

First. The substitution of credit card systems for the use of cash would be impaired, since the creditors would now have to put self-protecting limitations on the use of the cards as a universal payments medium. The movement toward a "cashless society" is desirable as a matter of public policy because it will improve the delivery of purchasing power throughout the economy, will release large sums of capital that are tied up in the mechanics of cash use, storage, and transfer, and will, with improvements in identification technology, serve to deter violent economic crimes. The advantages of the use of credit cards as a full cash substitute in the eyes of the consumer is therefore a major consideration to take into account in evaluating this provision of the bill.

Second. The mechanical difficulty inherent in requiring creditors to police merchants is a substantial factor to consider in this matter. While not a determinative drawback in and of itself, it was a factor which weighed against the adoption of this provision by the committee.

Third. The area of consumer remedies against merchants is normally one governed by State statutory and common law, particularly the area of express and implied contracts and warranties. Different States may wish to govern this area differently, according to the merchandising practices in their respective jurisdictions and to the wishes of their citizens. If any State wishes to regulate or limit the application of the holder-in-due course doctrine in its jurisdiction, it has the authority to do so. In fact, some 32 States have already done so, and some nine others are presently considering it. To the majority of the committee, it seemed that it would be wiser to continue to allow the States to control the law in this area and to shape it according to their own respective needs and concerns, rather than to have the Federal Government lay down a uniform rule in an area which does not appear to need uniformity at this time.

Mr. President, we are told that this is the year of the consumer. As I mentioned earlier, very often some attractive packages are blandished before the consumer and a lot of popular emotional sentiment is stirred up before the economic facts are in. Also, who speaks for the consumer? Can any one person speak for the consumers of the United States? Consumers do not speak with a monolithic voice, and I suspect that many of those who purport to speak for the consumer are really those who have a pathological desire to destroy the large corporations of the United States, and therefore I think we ought to have a close look at any of the proposals which emanate from these so-called consumer advocates.

Mr. PROXMIRE. Mr. President, I make the following modifications in my amendment:

On page 2, line 10, to delete the words "three months" and substitute in lieu thereof "forty-five days";

On the same line, delete the last word, "such", and on line 11, the word "transaction," and insert in lieu thereof the following: "his receipt of the bill on which such transaction first appears";

On line 13, delete "three months" and substitute in lieu thereof "forty-five days";

On the same line, delete the words "the date of such transaction" and substitute in lieu thereof "his receipt of the bill on which such transaction first appears," making the amendment read as follows, beginning at (a) on line 6:

> (a) the initial amount of credit extended in connection with the initial transaction giving rise to the claim or defense provided the cardholder notifies the card issuer or person honoring the card of such claim or defense within 45 days from the date of his receipt of the bill on which such transaction first appears; or (b) if the cardholder notifies the card issuer or person honoring the card of such claim or defense later than 45 days following his receipt of the bill on which such transaction first appears, the amount outstanding with respect to such transaction at the time of such notification.

This modification would give consumers 45 days from the time they received their bill to notify the bank or merchant of a claim or defense in order to recover the full amount of credit initially extended. After the 45-day period, the consumer's recovery would be limited to the amount actually owing at the time of such notification.

My original amendment gave consumers a 90-day period measured from the date of the transaction. This modification represents a compromise between those such as the Senator from California (Mr. CRANSTON), who supports a deletion of the 3-month provision.

The Senator from California was very much concerned about this matter in committee. He was an active member of the committee who worked hard on this proposal, and I agreed that we should modify it accordingly.

As I understand, the yeas and nays have not been ordered on the amendment

at this time, and therefore I so modify my amendment.

The PRESIDING OFFICER (Mr. BEALL). To modify the amendment will require unanimous consent.

Mr. TOWER. Mr. President, the yeas and nays have not yet been ordered. Therefore, the Senator has the right to modify his amendment.

The PRESIDING OFFICER. Since the unanimous-consent agreement had reference to this specific amendment, unanimous consent is required for its modification.

Mr. TOWER. I see.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to modify his amendment?

Mr. PROXMIRE. I ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. Is there objection? Without objection, the amendment will be so modified.

Mr. PROXMIRE's amendment (No. 1161), as modified, is as follows:

On page 19, line 7, strike the quotation mark and insert the following:

§ 170. Rights of credit card customers

A card issuer who has issued a credit card to a cardholder pursuant to an open-end consumer credit plan shall be subject to all claims (other than tort claims) and defenses arising out of any transaction in which the credit card is used as a method of payment or extension of credit if (1) the obligor has made a good faith attempt to obtain satisfactory resolution of a disagreement or problem relative to the transaction from the person honoring the credit card; and (2) the amount of such initial transaction exceeds $50; (3) the place where the initial transaction occurred was in the same State as the State in which the card issuer maintained a place of business; and (4) the amount of claims or defenses asserted by the cardholder does not exceed: (a) the initial amount of credit extended in connection with the initial transaction giving rise to the claim or defense provided the cardholder notifies the card issuer or person honoring the card of such claim or defense within 45 days from the date of his receipt of the bill on which such transaction first appears; or (b) if the cardholder notifies the card issuer or person honoring the card of such claim or defense later than 45 days following his receipt of the bill on which such transaction first appears, the amount outstanding with respect to such transaction at the time of such notification. For the purpose of determining such amount outstanding in the preceding sentence, the payments and credits to the cardholder's account are deemed to have been applied, in the order indicated, to the payment of: (i) late charges in the order of their entry to the account; (ii) finance charges in order of their entry to the account; and (iii) debits to the account other than those set forth above, in the order in which each debit entry to the account was made.

The PRESIDING OFFICER. Does the Senator ask for the yeas and nays?

Mr. PROXMIRE. I guess there are not enough Senators present for a sufficient second, but I intend to do so.

In fact, Mr. President, I suggest the absence of a quorum in order that we can get the yeas and nays.

The PRESIDING OFFICER. On whose time?

Mr. TOWER. Mr. President, I ask unanimous consent that the time for the quorum call be equally divided between the two sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I object to that unanimous-consent request, and substitute a request that the time be charged to neither side.

The PRESIDING OFFICER. A quorum call is in progress. Is there a request that the order for the quorum call be rescinded?

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. I ask unanimous consent that there be a quorum call, and that the time for the quorum call be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Mr. President, I yield to the Senator from Tennessee such time as he may require.

Mr. BROCK. Mr. President, I share the rather interesting reaction of the Senator from Texas to the statements of the Senator from Wisconsin. I fully agree that this is a time in our Nation's history when the consumer has come into his own. It is a time long past due, and I am delighted with this situation.

But it seems strange that the Senator from Wisconsin would hew to this cause when, in my opinion, the bill he introduced originally, S. 652, was one of the more anticonsumer bills I have seen in a long time. It would have raised the cost of consumer goods. It would have made it far more difficult for the average American family to obtain credit. It would have limited the ability of small merchants to participate in credit plans such as these cards.

Now we have the spectacle of consumerism raised on this amendment. Let us look at the amendment. Let us see what it really does.

The Senator says he wants to protect the individual from shoddy merchandise and fraudulent merchants. I do not think anybody would deny the validity of that objective. Would the amendment do that? Let us look at it very carefully. The amendment has just been modified by the Senator in an apparent attempt to reduce the time from 3 months to 45 days. The modification itself has no effect whatever; it is no compromise; it is no change. The fact is that 3 months from the date of the transaction is about the same time as 45 days from the day of receipt of the bill. It can take 15 days for the merchant to get the bill from the bank and 15 days to get the bill to the consumer. That is 45 days. That is what was in the bill to start with.

But let us look at what the Senator said about the protection he wants to afford the consumer. He says that if a merchant does not adhere to good consumer practices, he can be excluded from the program. How, pray tell, does the bank in Mountain City, Tenn., a little community in the eastern end of the State, exclude a merchant who a customer can patronize in Memphis, Tenn.?

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. TOWER. Let us try on Texarkana and El Paso for size.

Mr. BROCK. If the Senator wants to go to extremes, we will get to Texas sooner or later.

The fact is that the bank cannot exclude that merchant because he does not know him, never heard of him, never saw him, and never will. That small bank in Mountain City, Tenn., is absolutely captured by a situation over which it has no control.

The Senator talks about an unreasonable burden on the consumer. How unreasonable can one be? The purpose of this bill is to expand credit, not limit it; to enhance the opportunity for people to buy goods wherever they are in this country. If they want to travel from Tennessee to Wisconsin, they should have a right to do so and to use their credit cards, with the advantages and protections that come therefrom.

The Senator says it is time we had a national law because the States are doing little about the problem. Yet, his own amendment limits the application of a national law to the States—to one State. If you buy something outside of that State and you obtain your credit in Tennessee—if you buy something in California—this doctrine does not apply. There is no protection. Why should not the State of Tennessee have the right to write its own laws—laws that are designed for the protection of its own people, within its own boundaries, laws designed to apply to the situations and the needs of the people of our State?

The Senator from Wisconsin makes several arguments in favor of his amendment concerning the rights of credit card customers. Let us look at a couple of these arguments.

First, he maintains that credit cardholders have less leverage than other customers of a single merchant in the case of defective merchandise, and merchants have less incentive to settle disputes if they have already been paid. The attempted analogy between credit cardholders and other credit customers is misplaced. In view of the increasing use of the credit card as a medium of payment—a substitute for cash—the

more appropriate anology is between a credit cardholder and a cash customer. Since the cash customer pays the merchant and has no money holdback or "leverage," the credit cardholder who uses his card in lieu of cash has lost no leverage in the event he becomes dissatisfied with the merchandise purchased. Furthermore, most merchants are both honest and enterprising and will attempt to satisfy customers with merchandise complaints. The committee's hearing record reflects few, if any, consumer complaints involving inability to obtain satisfaction from merchants due to the involvement of credit cards. Finally, the Senate has already passed S. 986 providing remedies for consumers where merchants and manufacturers fail to live up to warranties on products.

In so many words, what we have here is an amendment that is claimed to be a consumer protection amendment. It applies to a holder in due course for that little bank in Mountain City, Tenn., when his customer goes to Memphis and uses his credit card at a motel with which he is unhappy. Is it not a little hard for the bank in Mountain City to know whether the beds in that motel in Memphis are lumpy? Is it not hard for the banker in Mountain City to know whether the merchandise purchased in Memphis was shoddy? Is it not really impossible to do what the Senator suggested, for that bank to exclude the merchant from any further participation in a credit plan? Is he not really using the wrong words when he talks about bank cards, because they are not bank cards. This bill and his amendment covers every card issued of any credit card plan in the country.

These are not banks. Let us not make this a little bank or a big bank bill. The fact is that the bill covers all forms of cards, all forms of credit as written and as are pursuant to this Congress. It is a bill honestly designed to extend the opportunity for credit to customers, to consumers, to extend the opportunity for small business to participate in the availability of that credit so that they can enhance their business and achieve more sales.

If the Senator can show me where the banks are making a profit on these cards, I would like to see it because the record shows that they are all virtually losing money today. The fact is that the bill is an anticonsumer bill. If we continue to try to impede these cards and limit their availability and applicability and their use to the general public and to the consumer, we are defeating the purpose for which the bill was designed.

Mr. TOWER. Mr. President, will the Senator from Tennessee yield for a question?

Mr. BROCK. I yield.

Mr. TOWER. I should like to commend my distinguished colleague from Tennessee for making, I think, a couple of very telling points. To begin with, one of the reasons the Constitution reserves some powers to the States is that we cannot make national uniform laws, in many instances, that can be equally applicable in Delaware, in Tennessee, or in Texas. That is because we frequently have entirely different situations in different States.

Mr. BROCK. Of course.

Mr. TOWER. Beyond that, the Senator is absolutely correct when he suggests that this will reduce the availability of credit to the little guy, because the marginal credit risk is ordinarily the guy who goes in and buys the less expensive merchandise and deals with those merchants. So it will certainly have the effect of limiting the availability of credit to those persons lowest on the socioeconomic scale. Would not the Senator agree with that?

Mr. BROCK. Of course. That is the effect of the amendment. I know it is not the intent of the Senator from Wisconsin, but intent and effect are two different things. The effect of the amendment will be to make it more difficult for small business to participate in the plans, and far more difficult for people with limited incomes to have the availability of these new credit facilities. That is why I oppose the amendment.

Mr. PROXMIRE. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER (Mr. BEALL). The Senator from Wisconsin is recognized for 3 minutes.

Mr. PROXMIRE. I think the remarks of the Senator from Tennessee are very interesting. He asks, and properly so, as does the Senator from Texas, Who speaks for the consumer? The implication of course, is that I do not speak for him and he does, that his viewpoint is a more legitimate consumer viewpoint than mine.

It is interesting that the groups who supported the original bill introduced the bill that would modify the "holder-in-due-course" doctrine, the bill that would let the consumers refuse to pay for shoddy merchandise even though using credit cards.

Who is supporting the position we take today?

The Federal Trade Commission, Mr. Kirkpatrick, whose whole mission in life has been working for the Government and representing the consumer.

In New York City, the Bureau of Consumer Affairs said it was one of the most important provisions in the bill. And they supported it with emphasis.

The Consumer Federation of America supported it.

The National Consumers of Law supported it.

Are all these groups so dumb and stupid that they do not understand what is in the interest of the consumer?

There was none. I challenge Senator BROCK, Senator BENNETT, Senator TOWER—or anyone else—to give me a single consumer witness or spokesman who said that the original bill would hurt the consumer or that this provision in the "holder-in-due-course" doctrine will hurt the consumer.

Only the bankers make that argument. They are great people. I used to be in the banking business myself. I worked for the J. P. Morgan Co. on Wall Street. I am proud of that. I studied banking at Harvard University. It is a tremendously important business. But only the bankers have made the claim it would hurt the consumers. Only the bankers, it seems to me, can speak with the bankers' viewpoint. When they speak for the consumers' viewpoint, we should listen to them with respect but not accept it as the consumers' viewpoint. And even the bankers are divided. Walter Malcolm is a distinguished banking attorney and he appeared before the committee and on the record he supported restrictions on the "holder-in-due-course" doctrine. He supported, in effect, the principal position that I am taking today.

The State of Massachusetts has put this into effect. They are not suffering up there. It is not difficult for the consumer to do business up there. They like it. They testified in support of it. They are in favor of it. So if we want to consider what is really in the interest of the consumer, it seems that the record is clear as to where the consumer spokesmen stand.

Mr. BROCK. The Senator has just about made my point. He said even the bankers are split. He is right. The big bankers are for this amendment because it will keep the little banks from competing with them. It is going to get the little banks out of the credit card business.

Mr. PROXMIRE. Walter Malcolm is the attorney who has seen it operate. If the Senator would like to give me any new testimony from any of the big bankers who have taken a position in favor of my amendment——

Mr. BROCK. I would like to hear it. The Senator said in his opening remarks——

Mr. PROXMIRE. They are an enormous and necessary operation. They are the credit card people. They are not against it.

Mr. BROCK. That is not a bank. That is a collection agency. Let us get that straight. The Senator himself said that the larger banks——

Mr. PROXMIRE. I did not say larger banks.

Mr. BROCK. Legal counsel of banks——

Mr. PROXMIRE. Legal counsel of the bank—Walter Malcolm.

Mr. BROCK. The Senator said some banks, in his original statement, were in favor of this. There was a considerable split in the banking community. These are your words. But the Senator from Wisconsin is right. The fact is, the big banks do not have to worry about this. They are not losing money. They can handle it electronically. It is the small bank that makes credit available to the rural areas that I am worrying about.

Mr. BENNETT. Mr. President——

Mr. PROXMIRE. This is not on my time, is it?

Mr. BENNETT. Mr. President, how much time does my side have?

The PRESIDING OFFICER. Forty-three minutes remain.

Mr. BENNETT. I will not use all of it, but I yield myself such time as I may need.

The big banks do business across State lines so that the big banks are out of

reach of everyone except those living in the State in which they are headquartered. So, of course, this does not bother them.

Mr. BROCK. If the Senator will yield, the Senator from Wisconsin said the big banks are for this. They are outside of its provisions.

Mr. BENNETT. Of course, the big banks are outside, except the State in which they are domiciled. Mr. President, I would like to make some comments on the Utah law which is written in accordance with the Commissioners of Uniform State Laws, which in my view says in effect that the "holder in due course" doctrine prohibitions do not apply to credit cards because third-party credit card programs do not involve a holder in due course but are considered as loans of money.

Mr. President, this whole issue of waivers of claims and defenses is a difficult one to solve because there is some uncertainty as to what the various State laws presently require. It would appear that most of the States have taken this issue under consideration and have made modifications in their statutes which they feel are appropriate. There is some question as to how the present laws apply to credit cards issued by third parties.

The Utah law, for example would appear to outlaw the holder in due course doctrine for all consumer credit sales and leases as follows:

70B–2–404. [Assignee subject to defenses.] With respect to a consumer credit sale or consumer lease, other than a sale or lease primarily for an agricultural purpose, an assignee of the rights of the seller or lessor is subject to all claims and defenses of the buyer or lessee against the seller or lessor arising out of the sale or lease notwithstanding an agreement to the contrary, but the assignee's liability under this section may not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee. Rights of the buyer or lessee under this section can only be asserted as a matter of defense to or set off against a claim by the assignee.

This seems completely clear when read with the definition of "Consumer credit sale" except that this definition seems to exclude the use of consumer lender credit cards.

70B–2–104. Definition—"Consumer credit sales,"—(1) Except as provided in subsection (2), "consumer credit sale" is a sale of goods, services, or an interest in land in which

(a) credit is granted by a seller who regularly engages as a seller in credit transactions of the same kind,

(b) the buyer is a person other than an organization,

(c) the goods, services, or interest in land are purchased primarily for a personal, family, household, or agricultural purpose,

(d) either the debt is payable in installments or a credit service charge is made, and

(e) with respect to a sale of goods or services, the amount financed does not exceed $25,000.

(2) Unless the sale is made subject to this act by agreement (section 70B–2–601), "consumer credit sale" does not include

(a) a sale in which the seller allows the buyer to purchase goods or services persuant to a lender credit card or similar arrangement, or

"A lender credit card or similar arrangement" is defined as follows:

(9) "Lender credit card or similar arrangement" means an arrangement or loan agreement, other than a seller credit card, pursuant to which a lender gives a debtor the privilege of using a credit card, letter of credit, or other credit confirmation or identification in transactions out of which debt arises

(a) by the lender's honoring a draft or similar order for the payment of money drawn or accepted by the debtor;

(b) by the lender's payment or agreement to pay the debtor's obligations; or

(c) by the lender's purchase from the obligee of the debtor's obligations.

This is further clarified by the Comments of Commissioners on Uniform State laws as follows:

[Subsection (9).] The lender credit card arrangement is one under which the card issuer agrees to pay to third parties debts incurred by the card holder. The bank credit card and the travel and entertainment credit card are familiar examples. The arrangement for the card issuer's payment of the card holder's debt to the third party may take different forms. It does not matter under this definition whether the arrangement calls for the third party to be the payee of a draft drawn by the card holder on the card issuer, for the card issuer to take an assignment of the debt from the third party, or for the card issuer merely to pay to the third party the card holder's debt. Each of these methods is sufficiently similar in function to be treated alike by this section. "Seller credit card," excluded from the definition of "lender credit card," is defined in Section 1.301(16).

This would indicate that the bank credit cards and travel and entertainment cards are distinguished from seller credit cards and that the transaction between the credit-card issuer and the holder is the lending of money. If that is the case, I do not know of any basis on which the transaction could be considered to be improper by the holder, or why he should have defenses against the money lender unless the lender refused to pay as contracted.

If, on the other hand, it is not considered a loan, then it would appear that the statute provides that the credit-card issuer is liable under the law already.

I have tried to get a clarification as to what the Utah law has meant in actual practice and there have apparently been no cases on which this could be determined.

Mr. President, I ask unanimous consent to have printed in the RECORD an analysis of the Alabama law in this respect.

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

ANALYSIS OF ALABAMA LAW

Section 5(a) of the Alabama Consumer Credit Transactions Law, Laws 1971, Act No. 2052, 1 CCH Consumer Credit Guide, Ala. ¶ 6009, reproduces virtually verbatim UCCC § 2.404 (Alternative A). It provides in pertinent part that with respect to a "consumer credit sale," an assignee of the seller's rights is subject to certain buyer's claims and defenses. Under the UCCC this does not apply to a card-issuing bank as creditor. However, the Alabama law does not incorporate the detailed UCCC definition of "consumer credit sale," § 2.104, which explicitly excludes lender credit card transactions. Instead the Alabama law sets forth its own broader definition of consumer credit sale, which includes all consumer sales "with respect to which credit is extended or arranged by the seller." § 1(d), CCH ¶ 6001(d). The UCCC treats lender credit card transactions under its Loans Section, Article 3, which is wholly separate from the Consumer Credit Sale Section, Article 2, from which Alabama's buyer defenses section was taken. UCCC Article 3 contains no provision for preservation of defenses in connection with consumer loans, *i.e.*, in connection with lender-issued credit-card transactions.

None of the six states (Oklahoma, Utah, Idaho, Wyoming, Colorado and Indiana), which have adopted the UCCC has extended the buyer-defenses provision of Article 2 to apply to Article-3 transactions.

Since the Alabama definition of consumer credit sale is unique to the Alabama law and does not completely parallel the UCCC, its intent is not perfectly clear. However, the definition, while broad, does specify that the credit must be extended or arranged by the seller. Since the arrangement for the extension of credit in the case of a bank credit card is made directly between the bank and the cardholder, there would appear to be substantial doubt that a sale pursuant to a bank card was a consumer credit sale within the meaning of the Alabama law. This appears particularly to be so since in Alabama the credit-card sale transaction is structured as creating a direct obligation from the buyer to the bank and not as an assignment of an account from merchant to bank.

It would seem to be significant that the Alabama law does recognize the consumer-loan form of transaction, and specifically includes it, for example, under § 12, which makes unconscionable terms in a consumer credit sale, consumer lease, or consumer loan" unenforceable. Other sections of the Alabama law which include specific reference to consumer loans as well as consumer credit sales are 1(b) (definition of "consumer"), 1(c) (definition of "creditor"), 2 (finance charges), 3(b) (deferral charges), 4(b) (copies of contracts), 4(c) (balloon payments), 13 (multiple contracts for one debt), and 18(a) (licensing of lenders and assignees, which includes specific distinction between "making consumer loans" and "taking assignments of consumer credit contracts"). Various other sections of the law also refer broadly to consumer credit "transactions," which would appear to include both sale and loan transactions. See, *e.g.*, §§ 1(b) (definition of "consumer"), 14 (schedule of instalments), and 16 (insurance). On the other hand, § 5(a), preserving buyer defenses, makes reference only to "a consumer credit sale or consumer lease" and does not apply to consumer loans.

It is also probably significant that § 5(a) refers to the liability of assignees of the rights of sellers, and not to creditors generally, while other sections do refer more broadly to "creditor" where the intent is clearly to cover third-party credit-card issuers as well as others. See §§ 1(a) (definition of "finance charge"), 1(c) (definition of "creditor"), 3(a) (late charges), 3(b) (deferral charges), 3(c) (prepayment rebates), 3(d) (renewal or refinancing rebates), 7 (creditors' suits), 15 (excess finance charges), 18 (licensing of lenders and assignees), and 24 (criminal violations and penalties).

Mr. BENNETT. Mr. President, I should like to take a minute to try to make clear

my understanding of why the concept of the "holder in due course" doctrine does not and should not apply to credit cards. What we are really talking about on third party credit cards is a waiver of defense since no holder in due course is involved.

What does the phrase "holder in due course" mean? It means that someone held an instrument, a debt instrument which he passes on to someone else, and the third person became the holder in due course, although there might be a fourth or a fifth.

Let us say it another way. A man goes to an automobile agency and buys a car on credit. He signs a contract. The automobile dealer has not capital enough to hold that contract until it is paid off. So he sells it to the GMAC or Commercial Credit, or to someone else, and that company becomes the holder in due course. The transaction which establishes the relationship of the holder in due course is between the seller of the automobile and the finance company to which he sells the paper.

It may be a bank. But there is a transaction specifically between the seller of the merchandise and the financial institution in which the original buyer of the merchandise has no part.

Let us now look at the credit card situation. A bank or some other agency issues a credit card to me. And it says to me when it issues the credit card: "Within certain limits, we will pay your bills." It does not say that it has made a deal with the merchant to pay his account. It says to me: "I will pay your bills." So, the relationship is completely different.

If I go into a restaurant and order a meal or if I go into a merchant's store and buy a piece of furniture and I present the credit card to the merchant, the merchant presents the bill that I have created to the bank for payment on my account. It is just as if I had a rich relative who had agreed to pay my bill. The merchant does not sell my account to the bank and thus get away from any obligation. The merchant still looks at me. And if for any reason the bank computer gets fouled up and he does not get his money from the bank, he would be coming to me and asking me what the matter was.

These are two completely different financial transactions. The relationships are different. The basis is different. And to try to force the credit card situation into the pattern of the sale on an installment basis of credit paper which the dealer then sells to someone else, it seems to me, is a completely unreasonable analogy.

I think it is for that reason that the Commissioners on Uniform State Laws prepared a uniform code which my State has adopted which does not consider sales made on third party credit cards as a contractual arrangement where there is any reason to apply the holder in due course doctrine.

If things go bad, the bank is going to come back on me. It is not going to come back on the merchant. However in the case where there is a holder in due course, if that transaction goes bad, depending on how the information is written, the holder in due course may come back on the merchant or he may come back on me or he may come back on both of us.

I agree with the Senator from Tennessee that to try and force this bank-consumer relationship into the same pattern as the bank-dealer relationship is not a wise thing. The people who wrote these uniform laws treated the relationship between the credit card issuer and the credit cardholder as a loan. They have loaned the money to him. They have loaned it to him indirectly by paying off his debt. But they did not get the debt from the dealer. Their relationship is with the purchaser.

To me this is, in addition to all of the other arguments, the simplest reason why we should not burden credit card transactions with a concept that was developed in and belongs to installment loan transactions. I think that is what the committee finally came to understand. And that is why they rejected the proposal.

I can understand that on the surface it makes a nice argument because it seems to put another burden on the lender or on the bank instead of on the individual. But actually the relationship of the bank is completely outside of that of the credit card issuer and completely outside of the relationship between the buyer and the seller of the merchandise. As the Senator from Tennessee (Mr. BROCK) has so clearly said, credit cards are a substitute for cash. And the man who sells me a refrigerator on a credit card has just the same kind of relationship as the man who sells me one for cash. If the refrigerator goes bad, I have the same opportunity to come back on him.

I have been in business. I was in business for 30 years before I came to the Senate. I tried to sell merchandise, and I know that the seller is not trying to hook the customer by deliberately selling him shoddy merchandise. He is looking for the next sale. He is looking for the sale after this one. And that is the best protection that a consumer has. Those who believe that all merchants are evil and are seeking to take advantage of their customers do not realize the tremendous leverage a customer has on the merchant, because the next time he will walk down the street and buy his merchandise from someone else.

Not only will the customer walk past the door of the merchant who has cheated him, but his family and friends will also walk past the merchant's door if he tells them about his transaction and about the merchandise he bought, in which he was disappointed.

I hope the Senate will reject the amendment.

Mr. PROXMIRE. Mr. President, if the Senator from Utah wants to yield back the remainder of his time on the amendment, I will yield back the remainder of my time.

Mr. BENNETT. Mr. President, before I yield back the remainder of my time, I have another short statement to make.

WAIVERS OF RIGHTS AND DEFENSES

Mr. President, I also oppose the amendment offered by the Senator from Wisconsin because I do not think it is appropriate for us to act in the absence of any knowledge of how this proposal would affect small businesses. I would like to bring to the attention of the Senate an interim report by the professional staff of the Senate Select Committee on Small Business. On January 6, 1972, this interim report recommended the following:

We recommend that the Small Business Administration, in consultation with the Federal Trade Commission and the National Commission on Consumer Finance, prepare and conduct an impartial study of the effect on small businesses of State laws that terminate the Holder-In-Due-Course Doctrine.

To the utmost extent possible, the study should be designed to determine how many honest and conscientious small businesses have fallen victims to laws intended to eradicate only dishonest operators that preyed upon unwary consumers.

We further recommend that the proposed SBA study be completed within eight months and that the Federal Trade Commission postpone final decision on its proposed Trade Regulation Rule until such SBA study has been completed. The decision should also await completion and publication of the first and final report of the National Commission on Consumer Finance.

The chairman of the Select Committee on Small Business (Mr. BIBLE) sent copies of this report to the chairman of the FTC, the Administrator of SBA, and to the chairman of the National Commission on Consumer Finance, asking for their comments on the recommendations of the interim report. The chairman of the National Commission on Consumer Finance, Mr. Ira Millstein, concurred in the recommendation for a study by the Small Business Administration of the impact on small businesses of changes in the holder-in-due-course doctrine. The Small Business Administration also felt it would be desirable to make such a study.

Mr. President, we do not have the facts we need in order to make a rational decision on this issue, and I believe it would be wise for us not to enact Federal legislation placing these additional liabilities on third party credit card issuers until after we do have some facts.

Mr. BENNETT. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the

Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD), is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from North Carolina would vote "nay" and the Senator from South Dakota would vote "yea."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), and the Senator from Washington (Mr. JACKSON), would each vote "yea."

I further announce that, if present and voting, the Senator from Georgia (Mr. GAMBRELL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The result was announced—yeas 35, nays 46, as follows:

[No. 158 Leg.]

YEAS—35

Aiken	Hartke	Proxmire
Bayh	Hughes	Randolph
Bentsen	Inouye	Ribicoff
Brooke	Kennedy	Saxbe
Byrd, Robert C.	Magnuson	Schweiker
Case	McGee	Stafford
Chiles	McIntyre	Stevens
Church	Metcalf	Stevenson
Cranston	Mondale	Symington
Eagleton	Moss	Tunney
Ellender	Nelson	Williams
Fulbright	Pell	

NAYS—46

Allen	Cotton	Miller
Allott	Curtis	Montoya
Anderson	Dole	Packwood
Baker	Dominick	Pearson
Beall	Eastland	Percy
Bellmon	Fannin	Roth
Bennett	Fong	Smith
Boggs	Griffin	Spong
Brock	Gurney	Stennis
Buckley	Hansen	Taft
Burdick	Hollings	Talmadge
Byrd, Harry F., Jr.	Hruska	Thurmond
	Javits	Tower
Cannon	Jordan, Idaho	Weicker
Cook	Long	Young
Cooper	Mathias	

NOT VOTING—19

Bible	Hatfield	Mundt
Ervin	Humphrey	Muskie
Gambrell	Jackson	Pastore
Goldwater	Jordan, N.C.	Scott
Gravel	Mansfield	Sparkman
Harris	McClellan	
Hart	McGovern	

So Mr. PROXMIRE's amendment (No. 1161) was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BROCK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, the Fair Credit Billing Act, the presiding bill represents a major step forward in correcting errors resulting from the problems of computerized billing. The major provisions in the bill are cogently summarized in the committee report as follows:

First, creditors are required to acknowledge customer billing disputes within 30 days and to resolve those disputes within 90 days. A dispute is resolved by either correcting the customer's bill or explaining why the original bill was correct. Creditors who fail to meet these requirements forfeit the amount in dispute up to $50, whether or not the bill was in error;

Second, creditors are not permitted to send dunning letters or take action to collect a disputed amount or report such amounts as being delinquent before explaining to the customer why the bill is correct;

Third, if a customer continues to dispute a bill after receiving the creditor's explanation, a creditor may not report the disputed amount as delinquent to a credit reporting agency unless the creditor so notifies the customer, and tells the agency to which the report is being made that the amount is in dispute. The creditor must also report to the agency any subsequent resolution of the dispute;

Fourth, creditors must briefly identify each transaction contained on a monthly billing statement, indicate an address for handling billing disputes and disclose twice yearly the customer's right to have these disputes resolved as provided in the legislation;

Fifth, creditors must mail their monthly billing statements at least 14 days prior to the time when payment is due on the account to avoid imposition of a finance charge;

Sixth, creditors must promptly post a customer's payments to a creditor's account in accordance with Federal Reserve Board regulations;

Seventh, creditors must promptly credit excess payments or refund such payments if the customer so requests;

Eighth, credit card issuers cannot require merchants to maintain deposits or purchase other services from them as a condition for participating in the credit card plan nor can such issuers prohibit merchants from offering discounts to cash customers;

Ninth, financial institutions cannot offset a consumer's credit card debt against a checking or savings account unless the consumer has agreed to such offsets and is allowed 10 days to rescind the offset.

Tenth, a creditor's liability for punitive damages under the existing Truth in Lending Act and the new Fair Credit Billing Act is limited to a minimum of $100 in an individual action and a maximum of $50,000 or 2 percent of net worth—whichever is less—in a class action. Such limitations would also apply to pending suits which have not been finally decided. No limitation is placed on the amount of actual damages which can be recovered by consumers.

Eleventh, persons involved in fraudulent credit card transactions of $1,000 or more in 1 year which affect interstate commerce can be fined up to $10,000 or imprisoned up to 10 years or both.

Twelfth, provisions of the Truth in Lending Act are amended to resolve certain difficulties encountered by the Federal Reserve Board in administering the act.

These provisions represent a major step forward in protecting consumers against abuses caused by computerization. I have received many letters from constituents complaining that they have tried in vain to get computerized billing errors corrected. The machines simply continued, relentlessly, to repeat the errors and to assess interest on the inappropriate charges. Often the consumer was wrongfully left with a mischarge on his credit record which impaired his ability to borrow.

The bill puts the human element into computerized billing. It requires merchants and credit card companies to respond to legitimate complaints of their customers, and imposes penalties if they fail to provide such assistance. I think this legislation will provide major help for consumers. It should be passed.

Much of the concern and criticism of this legislation has been focused on provisions which were deleted by the committee. I would like to address myself briefly to two of the most controversial proposals deleted from the legislation.

The bill as originally proposed would have given consumers the right to sue banks whose credit cards were used to finance the purchase of shoddy goods. The purported logic of this provision was that purchasers relied on the credit card symbol as a guarantee of the quality of a merchant and the goods he sold. Under this logic, a bank would remain liable for goods sold by merchants who used their cards even years after the bank had been paid off and was completely out of the transaction. I opposed that provision. I believe that it would impose an unreasonable burden on banks to ask them to serve in the role of policemen over and guarantor of all merchants to whom they extend credit. The result of such a requirement would be that many smaller merchants would be unable to receive the benefits of card credit even though they were completely reputable. Banks would be unwilling to assume liability for goods sold by smaller merchants who are without substantial credit standing.

While I oppose allowing consumers to sue banks as guarantors of merchants to whom banks extend card credit, I feel consumers should be permitted to stop payment for shoddy goods. This result could be achieved by eliminating the holder-in-due-course defense.

Basically holder-in-due-course works as follows:

A customer buys goods on credit. The merchant sells the debt to a finance company. Two or three months later, the purchaser discovers the goods are shoddy and stops payment to the finance company. The finance company then sues the purchaser for the remaining payments due under the contract. The purchaser counterclaims that he owes the finance company nothing because the goods were shoddy. The finance company asserts a holder-in-due-course defense against the purchaser—in essence the finance company has the legal right to say: you cannot make the counterclaim

against me because I did not sell you those goods. The purchaser is thus forced to sue the original merchant, but in the meantime he must continue payments for the shoddy goods.

The holder-in-due-course defense has been the source of considerable consumer abuse by some merchants. Disreputable merchants and finance companies have worked together to sell shoddy goods to consumers and then force them to make continued payments on those goods. Most of the abuse under holder-in-due-course has not taken place in the context of bank credit card transactions. To my knowledge, banks have been unwilling to extend credit to the types of merchants who have wrongfully taken advantage of the holder-in-due-course defense. I want to make it clear that I in no way mean to impugn the integrity of banks by my actions to eliminate the holder-in-due-course defense. I do, however, believe that the defense has contributed to merchant abuse. The Congress should now take the first step to eliminate holder-in-due-course. I am therefore introducing a bill patterned on the present California law which eliminates holder-in-due-course as credit card transactions.

Another provision which was not included in the bill and which has been the subject of considerable controversy was a proposal by Senator PROXMIRE to prohibit the use of the previous balance method of charge account financing. I opposed Senator PROXMIRE's proposal. I do not support the previous balance method of charge accounting, but I do not feel that this is a proper area for congressional intervention.

Thirty-eight States have established statutory limitations on open end credit transactions. In every case, permissible methods of applying rates are also included, and the method of applying the rate is directly and inherently related to the rates which are established. It would therefore be inappropriate to single out this one element of determining finance charges for Federal resolution. It would amount to half-way intervention unless there was a provision banning usury rate. No such proposal was made. I think such half-way action would be very inappropriate.

I also think that the Federal Government should not interfere in yet another area of traditional State jurisdiction unless the States have failed to respond to citizen concern. The previous balance issue has recently been protested by consumer groups. In California, Senator George Moscone has introduced legislation to ban that form of charging. The States should be given an opportunity to act before the Federal Government intervenes.

AMENDMENT NO. 1160

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1160.

The PRESIDING OFFICER. The clerk will read the amendment. The assistant legislative clerk proceeded to read the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I will explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 1160 is as follows:

On page 19, line 7, strike the quotation mark and insert the following:

§ 170. Prohibition of retroactive finance charges

Any creditor who operates an open-end consumer credit plan under the terms of which the obligor has the option of avoiding the imposition of a finance charge by paying his outstanding balance in full within a specified period of time shall not retroactively assess a finance charge against any balances outstanding in the obligor's account prior to the time when such payment is due.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, will the Senator yield for an inquiry?

Mr. PROXMIRE. I yield.

Mr. TOWER. Some Senators have been asking when the vote might come. It is my understanding that, although there are 2 hours on the amendment, the Senator probably will not use that much.

Mr. PROXMIRE. Mr. President, I expect to speak about 15 minutes. Perhaps there will be a colloquy of 5 or 6 minutes. I would say that perhaps in a half hour we would come to a vote.

Mr. TOWER. I thank the Senator.

Mr. PROXMIRE. I yield myself 10 minutes, Mr. President.

Mr. President, this amendment prohibits retroactive finance charges on revolving charge accounts where the consumer is charged interest on money he has already repaid. The most common method for assessing retroactive finance charges is the so-called previous balance billing system. Under this system, consumers are generally given 30 days to pay their outstanding balance before they are assessed a finance charge. However, if they make a partial payment, they are charged interest against the original balance in their account rather than the remaining balance. No credit is given for the partial payment.

For example, if a consumer has a balance of $100 in his revolving charge account and makes a partial payment of $90, he is charged interest against the original balance of $100 rather than the closing balance of $10. He thus pays 10 times the amount of interest he otherwise would have paid if the creditor charged against the closing balance.

Most creditors impose a finance charge of 1½ percent a month. Thus, in the above example, a creditor using the previous balance system would charge the consumer 1½ percent of the $100, or $1.50. On the other hand, if the creditor used the closing balance system, he would charge the consumer 1½ percent of the closing balance of $10 or 15 cents. When the previous balance system is used, the consumer is really paying $1.50 in interest for the remaining credit balance of $10. He thus pays 15 percent a month or a whopping 180 percent a year.

Think of that. Let me repeat it. In this instance he would pay 180 percent interest a year.

The previous balance system works a particular hardship on consumers who have a billing dispute over one item in their revolving charging account. For example, suppose a consumer has an outstanding balance of $400 in his revolving account but has a dispute over one item costing $5. If he pays $395 and withholds $5 for the disputed item, he will be assessed a finance charge against the entire $400 balance. If the creditor uses the typical monthly rate of 1½ percent, the consumer's finance charge would come to $5, or more than the amount in dispute. Thus the consumer is unfairly penalized for exercising his right to withhold payment for a disputed item. In this example, all the pressure is on the consumer to pay what he does not owe. The creditor gets away with murder, no matter how wrong it is.

The previous balance system also encourages consumers to overextend themselves because they receive no credit for partial payments. If a consumer cannot pay his bill in full, it makes no difference how much he pays. The finance charge will be the same regardless. He thus has no incentive to reduce his indebtedness. This may be one of the reasons for the large number of consumer bankruptcies each year.

Creditors who use the previous balance method are anxious to preserve it because it results in substantially more finance charge revenue. I estimate that consumers are being overcharged at least $200 million a year because of the previous balance system.

Another method of assessing retroactive finance charges is the so-called average daily balance system which some creditors claim is fairer to consumers. However, some varieties of the average daily balance system also impose retroactive finance charges. Under these circumstances, consumers can pay even higher finance charges than they do under the previous balance system. For example, if a consumer makes a single purchase of $100 on the first day of his billing period, he is sent a bill at the end of the month and has until the end of the next month to pay in order to avoid a finance charge. If he makes a partial payment of $90 at the end of the following month, some creditors will charge interest at the rate of 1.5 percent per month for the full 60 days on the $100 outstanding during that period. In this example, the finance charge would come to $3 or double what he would be charged under the previous balance method. Annualizing this finance charge against the $10 actually owing at the end of the grace period produces an astronomical interest rate of 360 percent a year.

My amendment would prohibit the previous balance system as well as other systems which impose retroactive finance charges. It would not prohibit the so-called "average daily balance" billing system where the consumer is charged for credit on a daily basis provided the creditor does not retroactively levy a finance charge prior to the time when payment is due to avoid a finance charge. It restores a similar provision contained in the original S. 652 which was deleted by the committee.

The basic concept behind my amend-

ment is simple. Consumers should not be charged interest on money they have already paid. If the creditor gives the consumer an option to avoid a finance charge by paying his bill in full by a certain date, it should be a meaningful option. It should not be hedged with tricky provisions which end up costing the consumer money. Consumers should not be induced into buying on time thinking they will pay only a small finance charge and wind up paying much more. If a creditor offers the consumer a 30-day grace period, then he should be compelled to live up to that offer.

My amendment will provide badly needed uniformity in the assessment of finance charges on revolving charge accounts. It will put all creditors on a common footing. Reputable credit grantors will not be placed at a competitive disadvantage by the tricky billing systems of their competitors.

My amendment will also make it possible to realize the main objective of truth in lending—and I say that as the author of the truth-in-lending bill—by making it possible for consumers to shop for the best credit plan by comparing interest rates. These goals are frustrated by the wide variety of billing systems which can produce enormous differences in finance charges even though they all use the same percentage rate.

Congress first considered the problem of billing systems on revolving charge accounts when it passed the Truth in Landing Act in 1968. At that time, it was realized that a monthly finance rate of 1½ percent—18 percent per year—could produce a wide variety of finance charges depending upon the method the creditor chose to compute the balance against which the finance charge was assessed. The solution adopted was to require disclosure of the monthly rate and its annual equivalent and the method for determining the balance against which the finance charge would be assessed. However, the disclosure approach has proven to be relatively ineffective in informing consumers of how their finance charges are actually determined. A poll taken in California showed that despite truth in lending, 82 percent of consumers did not really understand how their finance charges were figured under the previous balance system. When consumers were asked on what amount their finance charges would be computed if they had a bill for $100 and paid $25, only 18 percent correctly replied that the charge would be based on $100. The poll was taken in connection with a legal suit which seeks to have the previous balance method declared illegal.

During the hearings on S. 652, the previous balance billing method came under heavy fire from consumer groups and consumer protection agencies. The Chairman of the FTC, Miles Kirkpatrick, testified that—

> The Commission strongly supports the abolition of the previous balance method.

So I think I can fairly say that the Federal Trade Commission supports this amendment. The FTC has received over 700 letters complaining about the inequity of the previous balance method.

Dr. Arthur Burns, chairman of the Federal Reserve Board, was also critical of the previous balance method. In a report on the original version of S. 652, Chairman Burns observed that:

> The Truth in Lending Act requires creditors who use the previous balance method to specifically disclose that fact to consumers. As a result, the Board's Truth in Lending staff has observed that its use, which has been brought to the public's attention by Truth in Lending, has prompted numerous complaints in view of its appearance of inequity.

Again, I cannot think of anyone who can argue that Arthur Burns is unfair to business or insensitive to the needs of the credit industry. We all have great admiration for his ability.

The quotation from Dr. Burns continues:

> Consequently, the provision of S. 652 which would prohibit the previous balance method is likely to have considerable popular appeal. It would seem that the principal on which this provision is based is sound and reasonable.

The New York City Department of Consumer Affairs, in its statement before the subcommittee, argued that:

> Although the previous balance method is legal, it is our opinion that such a method of computing the interest is in violation of the intent of the usury laws and should be eliminated. It is an unfair and inequitable method of computation, inconsistent with the concept of buying on time.

Furthermore, Mr. President, not only do the consumers feel this way, but there are some responsible credit grantors who also feel the previous balance method is unfair. A Massachusetts retailer, in testifying before the subcommittee, said:

> I don't think any one here is taking issue with the fact that this (the previous balance method) perhaps affords a benefit to the merchant or retailer or banker that he can live without.

Massachusetts, which has led the Nation in consumer protection legislation, has already outlawed the previous balance method. J. C. Penney, one of the Nation's largest retailers, does not use the previous balance method and computes its finance charges instead on the amount remaining after deducting any payments from the customer. Similar computation methods are used by most oil companies and many bank credit card plans.

Despite the example set by the J. C. Penney Co. and other creditors, many of the Nation's largest retailers continue to use the previous balance method. These include Sears, Montgomery Ward, and Federated Department Stores. Yet not one of these companies appeared at the hearings to defend their billing system nor did they file a statement to justify their charges.

The principal argument against the amendment seems to be "leave it to the States." Well, why not? Why not leave it to the States?

Here is why: In view of the overwhelming record which has been made against the previous balance method, I believe Federal legislation to abolish it is clearly warranted and long overdue. The argument that we should leave it up to the States does not represent an adequate solution. Many creditors who use the previous balance method operate in all 50 States and should not be subject to piecemeal regulation. Moreover, it takes a considerably long time to enact uniform State laws on any subject. For example, it took the States over 20 years to draft and enact the Uniform Commercial Code. If we wait for the States to act, consumers will continue to lose hundreds of millions of dollars a year into the indefinite future. The time for decisive action is now.

Mr. President, I hope the Senate will adopt this amendment. I reserve the remainder of my time.

Mr. BENNETT. Mr. President, I yield myself such time as I may require in my interesting situation as a supporter of the bill through the use of opposition time.

It is unfortunate that the chairman of the committee is not here. He has a very good reason for not being here: He has a primary next Tuesday, and we all know of the pressure that that develops. So, in a sense, we members of the minority find ourselves in the position of speaking for the chairman and the majority.

Mr. President, the Senator from Wisconsin praises the State of Massachusetts for leading the Nation in consumer legislation, stating that Massachusetts has already outlawed the previous balance method. At this point, I interpolate to say that this discussion involves a technical credit problem that must be hard for people who have not been in on all of the discussions, both of this bill and the previous truth in lending bill, to know what we are talking about. Indeed, the previous balance method has been outlawed in Massachusetts and in other States as their legislatures have seen fit to include such a prohibition as part of their regulation of finance charges. That is perfectly appropriate. It should be understood, however, that Massachusetts has not approved legislation similar to that proposed by the Senator from Wisconsin.

I urge Members of the Senate to read the amendment by the Senator from Wisconsin. It is not drafted to simply prohibit the use of the previous balance method as one might believe from the discussion of the Senator. The Senator is apparently trying to confuse the issue with his discussion of the previous balance method. The amendment offered by the Senator requires that no finance charge be imposed by any method of computation before a specified date if the consumer is given the opportunity of paying off the account in full without a finance charge by that date. The most widely used open end credit plans grant 30 days for full payment without a finance charge but impose a finance charge on the basis of the time credit has been outstanding in the event that full payment is not made within the 30 days. In other words, these plans offer an incentive for the consumer to make full payment. But if he chooses not to make full payment and goes beyond that time, he has, of course, actually had the use of the money for those 30 days. What the Senator from Wisconsin is trying to do is to give him an extra 30 days, in addition to that which the present law provides in the event he does not make full payment.

Since statistics indicate that many creditors are losing money on their credit operations, it is perfectly logical that they would provide an incentive for full payment of an account. The Senator's amendment, if adopted, would eliminate the opportunity for them to offer that incentive. The Senator states that the average daily balance system may result in higher finance charges to the consumer than the previous balance system. There are circumstances under which this statement is true. However, to me his discussion of the rate of charge seems confusing and misleading. The Senator apparently ignore the fact that as soon as a transaction takes place, if payment is not made, credit is extended. Creditors have a legal right to impose a finance charge on the credit outstanding from the time of the transaction. Creditors, however, have set up plans which give the customer a choice between paying off the entire balance of the account—in effect a charge account—without the addition of finance charges if such payment is made in full before a certain date. In addition, they allow consumers to use the plan as a time payment plan or an installment account at the option of the consumer and impose a finance charge on the basis of the balance in the account as of a certain date or on the basis of the outstanding balance over a billing period. The Senator from Wisconsin describes a case in which the average daily balance is used as a method of computation and states that the charge against the $10 owing at the end of the period produces an astronomical interest rate of 360 percent a year. What the Senator ignores is that the consumer has had an outstanding credit balance of $100 since the day he made the purchase. He has had it for 60 days. The Senator says that a partial payment of $90 is made at the end of the second month. He states that the finance charge would come to $3 at 1½ percent for 60 days. Then he annualizes this $3 charge against the $10 still owing at the end of the period. As the Senator well knows, the $3 is not a charge against the $10 still owing. That $10 will be the basis of the finance charge for the following month. The $3 is a charge against the $100 outstanding during most if not all of the 60 days before any payment was made. The annual rate of finance charge against the debt outstanding under the Senator's example is exactly 1½ percent a month, or 18 percent a year. The grace period which the Senator uses to confuse the issue is granted only in the event that the full account is paid off by the end of the period. That fact is completely explained to the consumer before he opens his account and on each billing statement thereafter.

I should like to read from two typical forms. This is the K Thrift Charge Plan used by Kresge, K Mart, and Jupiter Stores. This material is contained in the form above the place for the customer's signature, so he signs indicating that he understands it. The same statement appears on every bill that he receives thereafter. This is what it says:

I (we) understand there will be no service charge if my (our) account is paid within 30 days after billing date. But if I (we) choose the option terms and use the installment plan, I (we) will pay a service charge of 1½% on the unpaid balance carried over from the previous month's statement less any payments or credits.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. PROXMIRE. The Senator has just read something that is very complicated. Does not that make the case as to why 82 percent of the people do not understand this, as they found out in California?

Mr. BENNETT. It may be complicated for the Senator from Wisconsin, but it is not complicated for the Senator from Utah. It says that you have two choices. If you pay in 30 days, there is no charge. If you choose to carry it over and use the account as an installment account, there will be a charge. It is that simple.

I will read the next one, which is on the Singer form:

You may pay entire balance at any time. If paid within 30 days of date of this statement no additional finance charge will be made. If you prefer an installment account, pay this amount upon receipt of statement.

This just reminds the customer that every time he buys something and gets a bill, he has this choice: paying it without charge within 30 days or, if he chooses to let it run, paying the legal charge, which is a generally a ceiling of 1½ percent per month.

No reputable mathematician or expert in finance computation has indicated that the average daily balance method of computing a finance charge is not completely fair to both the consumer and the creditor. The Federal Reserve Board in its comments on the original provision proposed by the Senator from Wisconsin that the average daily balance method is generally regarded as an equitable method for both creditors and consumers. What the Senator is trying to do in his amendment is to destroy plans which now exist which give consumers a choice between two methods of payment.

To me, the Senator further confuses the issue by stating in his explanation of the amendment that was sent to Senators:

Many creditors charge against the closing balance because they feel it is fairer to consumers. These include large retailers such as J. C. Penney, most oil companies, and many bank credit card plans.

Unfortunately, this statement is wrong. It represents misinformation. These creditors do not use the closing balance; they use the adjusted balance which is advantageous to consumers.

Mr. President, let me explain the distinction between the closing balance method and the adjusted balance method.

The closing balance method does not grant the customer any option to pay the account in full and avoid the imposition of a finance charge. The finance charge is levied each and every month on the net amount owing at the end of each month. The finance charge is calculated on an amount which is equal to the balance at the beginning of the month less payments and returns plus purchases made during that month.

The adjusted balance method assesses no finance charge on a purchase for the month when that purchase was made. The adjusted balance method assesses a finance charge only if there is a previous month's balance. The finance charge itself then will be based on that balance less all payments and credits received during the billing period covered by the monthly statement. No charge is made on goods or services purchased during the current month.

It should be obvious that there is a major difference between these two methods of applying a finance charge. The adjusted balance method results in a significantly lower charge to the customer.

Mr. President, I ask unanimous consent to include in the RECORD six methods provided by Dr. Richard Morse, professor of family economics, Kansas State University, to compute finance charges and an explanation of the methods. These methods do not include the daily balance or the average daily balance.

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

SIX METHODS ILLUSTRATED BY DR. RICHARD MORSE TO COMPUTE FINANCE CHARGES ON REVOLVING CREDIT ACCOUNTS

6 METHODS USED TO COMPUTE 1½-PERCENT MONTHLY SERVICE CHARGES ON REVOLVING CREDIT ACCOUNTS (STANDARDIZED 6-MONTH ACCOUNT)

Method	Month	Previous balance	Credits		Charges	Balance before service charge	Service charge	Closing balance
			Payments	Returns				
	(a)	(b)	(c)	(d)	(e)	(f)=b−c−d+e	(g)	(h)=f+g
Method 1: No option. Service charge, 1½ percent of current balance at end of month. (g)=1½ percent (f).	January			$10	$30	$20.00	$0.30	$20.30
	February	$20.30	$20	30	120	90.30	1.35	91.65
	March	91.65	80	40	90	61.65	.93	62.58
	April	62.58	10		10	62.58	.94	63.52
	May	63.52	10		10	63.52	.95	64.47
	June	64.47	10		10	64.47	.97	65.44
Total							5.44	

SIX METHODS ILLUSTRATED BY DR. RICHARD MORSE TO COMPUTE FINANCE CHARGES ON REVOLVING CREDIT ACCOUNTS—Continued

6 METHODS USED TO COMPUTE 1½-PERCENT MONTHLY SERVICE CHARGES ON REVOLVING CREDIT ACCOUNTS (STANDARDIZED 6-MONTH ACCOUNT)—Continued

Method	Month	Previous balance	Credits		Charges	Balance before service charge	Service charge	Closing balance
			Payments	Returns				
	(a)	(b)	(c)	(d)	(e)	(f)=b−c−d+e	(g)	(h)=f+g
Method II: 30-day option. Service charge, 1½ percent of previous month's ending balance less payments and returns. (g)=1½ percent (b−c−d) if (b)>(c+d).	January			$10	$30	$20.00		$20.00
	February	$20.00	$20	30	120	90.00		90.00
	March	90.00	80	40	90	60.00		60.00
	April	60.00	10		10	60.00	$0.75	60.75
	May	60.75	10		10	60.75	.76	61.51
	June	61.51	10		10	61.51	.77	62.28
	Total						$2.28	
Method III: No option. Service charge, 1½ percent of previous month's ending balance. (g)=1½ percent (b).	January			10	30	20.00		20.00
	February	20.00	20	30	120	60.00	.30	60.30
	March	90.30	80	40	90	90.30	1.35	91.65
	April	61.65	10		10	61.65	.93	62.58
	May	62.58	10		10	62.58	.94	63.52
	June	63.52	10		10	63.52	.95	64.47
	Total						$4.47	
Method IV: 30-day option. Service charge, 1½ percent of previous month's ending balance. (g)=1½ percent (b) if b>(c+d).	January			10	30	20.00		20.00
	February	20.00	20	30	120	90.00		90.00
	March	90.00	80	40	90	60.00		60.00
	April	60.00	10		0	60.00	0.09	60.90
	May	60.90	10		10	60.90	.91	61.81
	June	61.81	10		10	61.81	.93	62.74
	Total						$2.74	
Method V: 30-day option. Service charge, 1½ percent of previous month's ending balance unless paid in full. ("All or none"). (g)=1½ percent (b) if (b)>(c).	January			10	30	20.00		20.00
	February	20.00	20	30	120	90.00		90.00
	March	90.00	80	40	90	60.00	1.35	61.35
	April	61.35	10		10	61.35	.92	62.27
	May	62.27	10		10	62.27	.94	63.21
	June	63.21	10		10	63.21	.95	64.16
	Total						$4.16	
Method VI: 30-day option. Service charge, 1½ percent of previous month's ending balance less payments (but not returns). (g)=1½ percent (b−c) if (b)>(c).	January			10	30	20.00		20.00
	February	20.00	20	30	120	90.00		90.00
	March	90.00	80	40	90	60.00	.15	60.15
	April	60.15	10		10	60.15	.75	60.90
	May	60.90	10		10	60.90	.76	61.66
	June	61.66	10		10	61.66	.77	62.43
	Total						$2.43	

Method I—is the closing balance method. Customer will pay a finance charge every month and has no option to pay any amount in full to avoid a finance charge—He must pay a finance charge on the net amount of the money he owes on the closing date of the period covered by his monthly statement.

This means that the finance charge for each and every month is assessed on the opening balance plus purchases, less payments and less returns. It is not generally used.

Method II—is the typically adjusted balance method in which the customer has the right to pay the full amount of the bill and avoid any finance charge if payment in full is made before the next billing date.

When a finance charge is imposed it is calculated on a sum equal to the previous balance less payments and returns. The adjusted balance is fairly widely used today.

Method III—is a hybrid previous balance method. It gives the customer no option to pay the previous balance in full and avoid further finance charges. Each monthly bill includes a finance charge which must be paid if there was a previous month's balance. However, the finance charge is not applicable to either purchases made nor does it subtract payments received during the billing cycle covered by the statement.

This method is not generally used because it does not give customers the option to pay the exact amount owed at the end of the month without incurring additional finance charges. The only free credit in Method III occurs whenever a purchase is made during a month for which there was no previous balance carried over from the preceding month.

When a finance charge is assessed it is calculated solely on the previous balance.

Method IV—is the typical previous balance method of computing finance charges which is widely used in retailing today. Under it—the customer each and every month has the option to pay the amount of the previous balance as indicated on that bill without incurring any additional finance charges. In determining whether or not the amount is paid in full, the credit for returns made that month is added to the amount of the payment.

Under this method, the amount which must be paid to avoid further finance charges does not include purchases made during the month covered by the bill nor does it subtract any payments made during that month.

When a finance charge is assessed, it is calculated on the previous balance irrespective of current payments or purchases.

Method V is a previous balance method which has an unusual twist and is seldom (if ever) used. The option given to the customer under this method is that she can avoid the payment of any additional finance charge if she pays the total amount of the previous balance. However, the creditor does not include in that payment any credit for returned merchandise. In other words, the cash payment must equal the previous balance irrespective of whether or not some credit was allowed during that month for the return of goods.

If a finance charge is assessed it will be assessed solely on the previous balance.

Method VI is an unusual version of the adjusted balance method and seldom (if ever) used. It gives the customer the option of paying the previous balance less any payments made in order to avoid a finance charge. However, the distinction between Method III above and Method IV is that III permits the credit for returned merchandise to be included in determining the adjusted balance upon which the finance charge is levied.

Method IV ignores returned merchandise credits in computing the adjusted balance.

Mr. BENNETT. Mr. President, I would also like to point out that the Senator's explanation includes comments of individuals and institutions which in different contexts have discussed the desirability or undesirability of the previous balance method. This body should know that these comments were not made in support of the amendment which the Senator from Wisconsin is now offering. As an example, the Senator quotes a couple of words from a Federal Reserve statement and uses this to support his amendment. The Federal Reserve Board has not commented on the proposition of the Senator from Wisconsin to limit the freedom of creditors to determine the date on which they will begin finance charges when the customer chooses not to pay the entire balance of the account. I have checked with the Federal Reserve and find that no statement has been made in support of this proposition by their staff or members of the Board of Governors.

Mr. President, there is no doubt that the States have accepted the responsibility of regulating finance charges on open-end accounts.

The determination of the method of applying the rate is part of the rate regulation. Thirty-eight States and the District of Columbia have established statutory rate limitations on open-end credit. Every one of these jurisdictions have included a method or methods for applying the rate. The method of applying the rate is directly and inherently related to the rate limitations which are established. It should also be pointed out that many States have several different sta-

tutory patterns for different types of open-end credit accounts within the State. These differences, including differences in rate limitation and method of applying the rate, are based on differences in the type of open-end credit accounts, which differences the State legislatures have found to be sufficiently significant to require a difference in regulation. The amendment offered by the Senator from Wisconsin makes no such differentiation among various types of open-end credit accounts. His amendment would single out this one element of finance charge regulation, the time and conditions under which a rate may be imposed, and apply it across the board to all open-end accounts. It is inappropriate to single out this one element of determining finance charges for Federal resolution. The determination of the rate, the method of application, and the time for application are all part of the determination of finance charges on open-end credit accounts. All of these should be considered and weighed against each other in reaching a final conclusion. This the committee did. The committee bill reflects the judgment of the committee, that the limitation which the Senator suggests should not be included.

May I say again that under the present law, the buyer has 30 days of free time in which to pay his account without a finance charge. If he goes past that, the charge will be imposed, or if he does not pay it in full, a charge will be imposed on the balance. But, as I understand from the Senator's amendment, the effect will be to give him another 30 days even though he has had the use of the credit since the day he bought the merchandise.

I believe that this really wrenches our traditional and accepted pattern of consumer credit out of all proportion.

I hope that the Senate will stand with the committee and reject the amendment.

Now, Mr. President, I yield such time as the Senator from Tennessee (Mr. BROCK) may need.

The PRESIDING OFFICER (Mr. MCINTYRE). The Senator from Tennessee is recognized.

Mr. BROCK. Mr. President, I thank the Senator from Utah for yielding me this time.

Well, Mr. President, here we are again with another amendment which, charitably, is no more and no less than a wolf in sheep's clothing. I am constantly amazed at the ability of these debates to obfuscate the real, fundamental question that faces Congress and the American people.

The Senator from Wisconsin (Mr. PROXMIRE) is a skilled and able legislator and debater. He presents his facts with some cogency and a great deal of flair, if one can call them facts. I do not, because the real fact is that the statistics cited insofar as interest rates are concerned were completely distorted. They were not based on the interest charges on day-to-day purchases. They completely ignore that and go to the end of the free period.

I respect the skill of the distinguished Senator from Wisconsin, but I very much oppose his amendment. The effect of it—and, again, perhaps it is not the intent—the effect of the amendment will be to eliminate the free period available to the credit consumers of this country.

The small buyer, the low- and moderate-income purchaser, who has to take advantage of every possible credit condition, has an enormous advantage today because it is to the advantage of the banks, the businesses, and the merchants, to encourage the use of credit in order to enhance sales. To do so, they make credit available—free credit—no charge—for the first 30 days. At the end of the 30 days, the consumer has the option as to whether he wants to pursue the installment provision, or to pay off his bill in full.

The Senator from Wisconsin proposes an amendment which is an overt attempt to eliminate the previous balance method of accounting and billing. I really do not object to that. If that were the only effect because I do not like the previous balance method, even though it is used by something less than one out of five merchants in this country today. But, I would disagree with the Senator. There is no foundation for the Senator to state that $200 million in billing costs would be incurred as a result of the previous balance method because most people do not use it any more.

But even if they did and the previous balance method were eliminated by this amendment it would not help the consumer.

That is not the effect of the amendment. The effect of the amendment is to force the merchant to eliminate the free period. He now makes it available to all customers of moderate income and low income—small—large. The effect of the amendment is again to reduce the availability of credit, to increase its price to the average citizen. I do not think that is what this Congress wants to do. If we are going to pass a bill as a consumer bill, then let us do it honestly and let us do it by passing it or having a bill which literally does enhance the availability of credit, that literally does make this credit useful to small business which avoids the pitfalls of trying to have a Federal standard imposed upon accounting methods which involve consumer money. That is the effect of the amendment.

The committee considered all of the arguments given by the Senator in support of his proposal and rejected it overwhelmingly. The committee turned down this proposal because it would have prohibited creditors from offering a credit plan under which a consumer is given the option of avoiding a finance charge by paying off the entire balance by a specified date or paying off the account in monthly installments with a finance charge on the credit outstanding as of a specified date or during a specified period as disclosed in advance by the creditor and agreed to by the consumer. Many financial institutions and merchants offer plans which give the consumer his option. Such open-end or revolving charge plans are actually a combination of a charge account with no finance charges if the bill is paid within a specified period, and a flexible time payment account under which monthly payments with a finance charge are made. This provides maximum flexibility of payment to the consumer. It also provides the consumer with alternatives in the type of credit he desires.

We must also remember one other fact about this amendment. If the Federal Government does impose its will in contradiction of those 38 States that now have laws in this area and says that this plan can be used and that this plan cannot be used, at what point do we stop? If we are going to take action which has the effect of making credit more costly to the American people or making credit less available, are we honestly doing them any favors? I think not. I think that the amendment should be rejected.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the regulation by State law of open-end credit.

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

OPEN END CREDIT

OPEN END CREDIT LAWS

State laws have been adopted to regulate open end credit. *Open end credit* refers generally to credit plans or agreements under which a consumer is permitted to purchase goods or services or obtain loans from time to time and under which the unpaid balances resulting from these purchases or loans are debited to an account. The consumer is required to pay all or part of the unpaid balance upon periodic billings and is usually subject to finance charges on amounts left unpaid from previous billing periods.

Included within the term *open end credit* in this chart are credit arrangements referred to as revolving credit, revolving charge accounts, budget accounts, retail instalment accounts, instalment accounts, seller credit cards and lender credit cards. Also included is specialized bank check loan credit.

CHART CONTENTS

The "Open End Credit" Chart lists the states governing charges on open end credit plans. Entries are broken down by the type of open end credit governed under the law. The major headings include:

MONTHLY CHARGES

"Monthly Charges" is subdivided into two areas in which rates or dollar amounts of charges under open end credit are regulated. A "Maximum" column lists permissible monthly finance charge rates, monthly service charges, delinquency charges and default charges.

A "Minimum" column sets out the permissible monthly charges which may be imposed when the application of the "maximum" charge rate to an existing unpaid balance would yield a lesser amount.

COMPUTATION

In order to calculate a finance charge on an open end credit account, the creditor must apply the permissible periodic rate to a given periodic balance. A "Computation" column sets out the provisions determining the balance to which the periodic rate may be applied. When the statutes allow the use of a fixed or scheduled finance charge for a set range of balances, the fixed charge must be applied to all balances within that range.

STATUTES CITED IN CHART

The laws reflected in the Chart appear, for the most part, in full text in the state divisions of the Guide. Direct reference is given to the location of these provisions. In the case of the check loan provisions, which do not appear elsewhere in the Guide, reference is given to the applicable state statutes or code sections.

CHARTS

State	Monthly charges: Maximum	Monthly charges: Minimum	Computation
Alabama	Open end credit plan: 1½ percent (Alabama par. 6002)	50 cents (Alabama par. 6002)	On balance from time to time (Alabama par. 6002).
Alaska	Revolving charge agreement: 1½ percent on $1,000 or less; 1 percent on excess (Alaska par. 6012).	$1 (Alaska par. 6012)	On monthly balance or per schedule of fixed amounts (applied to balances equal to fixed amount plus or minus $5 differential) (Alaska par. 6012).
	Bank revolving credit plan: See revolving charge agreement above.	(Alaska par. 6201).	
Arizona	Charge account: 1½ percent on $1,500 or less; 1 percent on excess; no charge if paid in full before billing date (Arizona par. 6126).	50 cents (Arizona par. 6126)	On greater of (1) average daily balance, (2) beginning balance less payments and credits, or (3) median amount within $10 range within which (1) or (2) fall (Arizona par. 6126).
	Revolving loan account—Lender credit card: 1½ percent if not precomputed (Arizona par. 6101).	No provision	On monthly balance as of billing date or on actual daily balance (Arizona par. 6101).
	Check loan: 1 percent on $5,000 maximum; 5 cents per $1 on default (1 per payment); 25 cents service charge each loan (ARS § 6–376—6378).	do	On monthly balance as of billing date, or on actual daily balance (ARS § 6–376).
Arkansas	There are no open end credit provisions.		
California	Installment account: 1½ percent on $1,000 or less; 1 percent on excess (California par. 6066).	$1 (California par. 6066)	On monthly balance or per schedule of fixed amounts (applied to balances equal to fixed amount plus or minus $5 differential) (California par. 6066).
Colorado	Open end credit is governed by the Colorado Uniform Consumer Credit Code. Charges and fees appear in the "Uniform Consumer Credit Code" Chart at par. 505 of this division.		
Connecticut	There are no open end credit provisions. However, a Connecticut court has ruled that a retailer's charge account finance charges were subject to the usury law. See CCH Consumer Credit Guide par. 99,570.		
Delaware	Installment account: 1½ percent on $1,000 or less; 1 percent on excess (Delaware par. 6037).	$1 (Delaware par. 6037)	On monthly balance or per schedule of fixed amounts (applied to balances equal to fixed amount plus or minus $5 differential) (Delaware par. 6037).
District of Columbia	Revolving credit account: 1½ percent on $500 or less; 1 percent on excess (District of Columbia par. 6132).	No provision	On (1) daily balance (total charges less payments or credits) or (2) average daily balance or (3) balance within range of $10 on basis of median amount within such range (District of Columbia par. 6132).
Florida	Revolving account: 15 cents per $10 (Florida par. 6017)	$1 (Florida par. 6017)	On balance by month or other regular period or balance within range of $10 on basis of median amount within such range (Florida par. 6017).
	Bank loan—Credit cards: 1½ percent on $5,000 maximum (Florida par. 6458).	No provision	On monthly balance (Florida par. 6458).
Georgia	Revolving account: 15 cents per $10 (Georgia par. 6115)	$1 (Georgia par. 6115)	On balance by month or other regular period or balance within range of $10 on basis of median amount within such range (Georgia par. 6115).
	Lender credit card: 1½ percent (Georgia par. 6334); cash advance fee, greater of $5 or 5 percent up to $25; delinquency fee on default of 5 days, greater of $1 or 5 percent up to $5) and 1 per installment (Georgia par. 6335).	No provision	On average daily balance or monthly balance on same day (4-day variance) (Georgia par. 6334).
Hawaii	There are no open end credit provisions.		
Idaho	Open end credit is governed by the Idaho Uniform Consumer Credit Code. Charges and fees appear in the "Uniform Consumer Credit Code" chart at par. 505 of this division.		
Illinois	Charge agreement: 18 cents per $10 (Illinois par. 6042)	70 cents (Illinois par. 6042)	On monthly balance or balance within range of $10 on basis of median amount within such range (Illinois par. 6042).
	Revolving loan: 1½ percent; 25 cents service charge for each transaction or $20 annual fee (Illinois par. 6232).	No provision	On average daily balance of principal, or on balance on approximately same day of billing cycle (Illinois par. 6232).
Indiana	Open end credit is governed by the Indiana Uniform Consumer Credit Code. Charges and fees appear in the "Uniform Consumer Credit Code" chart at par. 505 of this division.		
Iowa	There are no open end credit provisions.		
Kansas	Revolving charge account: 1.78 percent on $1 to $300; 1.35 percent on $301 to $1,000; 1.20 percent on excess of $1,000 (Kansas par. 6022, 6274).	50 cents (Kansas par. 6274)	On no greater than (1) average daily balance; or (2) balance on same day (4-day variance) of billing cycle; or (3) median within specified range within which (1) or (2) falls, provided the charge on the median is not over the charge on the lowest amount in the range by more than 8 percent (Kansas par. 6274).
	Revolving loan account: Maximum permitted lender on any other type of instalment loan—see revolving charge account above and other loan charts—(Kansas par. 6252, 6253).		
Kentucky	Charge agreement: There are no open end credit provisions concerning charges other than the law authorizing a "time price differential." (Kentucky par. 6221).		
Louisiana	Bank revolving loan: 1½ percent not exceeding 18 percent per year simple interest; free period, 25 days from first billing; cash advance fee, 4 percent (Louisiana par. 6202).	No provision	On average daily balance of principal or on balance on approximately same day of each billing cycle (Louisiana par. 6202).
	Seller credit card: 1½ percent; free period, 30 days after initial bill mailed) (Louisiana par. 6311).	25 cents (Louisiana par. 6311)	On balance by month or other regular period (Louisiana par. 6311).
Maine	A 12 percent rate (see par. 99,456) was held invalid as to revolving charge accounts (see par. 99,232).		
Maryland	Credit account: 1½ percent on $500 or less; 1 percent on excess (Maryland par. 6034).	No provision	On monthly balance (based on average daily balance or daily balance of charges, less payments or credits); or balance within range of $10 on basis of median amount within such range (Maryland par. 6034).
Massachusetts	Revolving credit agreement: 1½ percent on $500 or less; 1 percent on excess (Massachusetts par. 6109).	50 cents (Massachusetts par. 6109)	On balance by month or other regular period (balance based on daily balance or previous balance less payment and credits during first 25 days but limited to purchases in period) or balance within range of $10 on basis of median amount within such range (Massachusetts par. 6109).
Michigan	Charge agreement: 1.7 percent (Michigan par. 6124)	70 cents (Michigan par. 6124)	On balance by month or other regular period, or balance within range of $10 on basis of median amount within such range (Michigan par. 6124).
Minnesota	Open end credit: 1 percent (Minnesota par. 6101)	50 cents (Minnesota par. 6101)	On average daily balance during monthly billing cycle (Minnesota par. 6101).
Mississippi	There are no open end credit provisions.		
Missouri	Charge agreement: 15 cents per $10 on $500 or less; 7½ cents per $10 on excess (Missouri par. 6021).	70 cents (Missouri par. 6021)	On unpaid amounts at beginning of billing cycle (month or other regular period), or on balance within range of $10 on basis of median amount within such range (Missouri par. 6021).
Montana	Charge account: 1½ percent (not on unpaid finance charge) Montana par. 6023).	50 cents (Montana par. 6023A)	On greater of (1) average daily balance or (2) median within $10 range within which average daily balance falls (Montana par. 6023).
Nebraska	Revolving charge agreement: 1½ percent on $500 or less; 1 percent on excess (Nebraska par. 6054).	No provision	On unpaid balances from month to month or other regular period (Nebraska par. 6054).
Nevada	Charge agreement: 1.8 percent (Nevada par. 6026)	do	On deferred balance (Nevada par. 6026).
New Hampshire	There are no open end credit provisions.		
New Jersey	Charge account: 1½ percent on $700 or less; 1 percent on excess (New Jersey par. 6055B).	50 cents (New Jersey par. 6055B).	On greater of (1) average daily balance or (2) balance at beginning or end of period, or (3) median within specified range within which (1) or (2) falls, provided the charge on the median in a range does not exceed the charge on the lowest amount in the range by more than 8 percent (New Jersey par. 6055B).
	New Jersey charge account—Effective Apr. 19, 1972. Bank charge account: 1¼ percent on $700 or less; 1 percent on excess (New Jersey par. 6055B).	50 cents (New Jersey par. 6055B).	On average daily balance or balance at beginning or end of period (New Jersey par. 6055B).
	New Jersey bank charge—Effective Apr. 19, 1972. Check loan: ² 1 percent on $5,500 maximum; lesser of 5 percent or $5 for each default over 15 days; greater of 25 cents per loan or 50 cents service charge (R.S. secs. 17:9A–59.6—17:9A–59.8, 17:9A–59.11).	No provision	On daily principal balances (R.S. sec. 17:9A–59.6).

CHARTS—Continued

State	Monthly charges: Maximum	Monthly charges: Minimum	Computation
New Mexico	Charge agreement: 15 cents per $10 on $500 or less; 10 cents per $10 on excess (New Mexico par. 6017).	70 cents (New Mexico par. 6017).	On balance at beginning of billing cycle (monthly or regular period), or balance within range of $10 on basis of median amount within such range (New Mexico par. 6017).
New York	Credit agreement: 1½ percent on $500 or less; 1 percent on excess (New York par. 6039).	70 cents (New York par. 6039).	On monthly balance or per schedule of fixed amounts (applied to balances equal to fixed amount plus or minus $5 differential) (New York par. 6039).
	Check loan: [3] 1 percent, on maximum of $5,000; 4 cents per $1 of installment due over 10 days, up to $5, only 1 late charge per default (if total fines during year exceed $15, excess to be applied to principal or $1 or more refunded); 25 cents each check or order (Banking Law, ch. 2, sec. 108).	No provision	On (1) unpaid principal; or (2) average balance—divide by 2 sum of unpaid balances on 2 dates during month, 1 not later than 15th and other not earlier than 16 with 10 to 20 days in between; or (3) fixed scheduled amounts within $10 range in which (1) or (2) falls (Banking Law, ch. 2, sec. 108).
North Carolina	Open end credit plan (revolving credit card or charge account): 1½ percent on unsecured loans (North Carolina par. 6314, 6409).	No provision	On previous monthly balance (North Carolina par. 6314, 6409).
	Revolving credit loan (check loan or other revolving direct loan): 1¼ percent on $5000 maximum (North Carolina par. 6409).		On previous monthly balance (North Carolina par. 6409).
North Dakota	Revolving charge account: 1½ percent (North Dakota par. 6203).	No provision	On monthly balances (North Dakota par. 6203).
Ohio	Revolving budget agreement: Base charge, 50 cents per $50; service charge, 50 cents per first 4 $45-units; additional service charge, 25 cents for next 4 $50-units (Ohio par. 6011).	$1 (Ohio par. 6011)	On balance at beginning or end of period (Ohio par. 6011).
	Bank revolving credit (indirect loan to buyer): 2 percent on $200 or less; 1½ percent on next $200; 1 percent on excess (Ohio par. 6015).	$1 (Ohio par. 6015)	On balance at beginning or end of each calendar month, or other regular period not in excess of 31 days, or on average daily balance (Ohio par. 6015).
Oklahoma	Open end credit is governed by the Utah Uniform Consumer Credit Code. Charges and fees appear in the "Uniform Consumer Code" Chart at par. 505 of this division.		
Oregon	There are no open end credit provisions.		
Pennsylvania	Retail installment account: 1¼ percent (Pennsylvania par. 6720).	70 cents (may be imposed for for minimum of 6 months) (Pennsylvania par. 6270).	On monthly balance or per schedule of fixed amounts (applied to balances equal to fixed amount plus or minus $5 differential) (Pennsylvania par. 6270).
	Revolving loan account: 2 percent on $3500 maximum (Pennsylvania par. 6321, 6323).	No provision	Unpaid principal balance (includes prior loan charges accrued within 60 days of new loan) (Pennsylvania par. 6323).
	Bank revolving loan (check loan): 1 percent on $5,000 maximum; current special check charge; lesser of $2.50 or 5 percent on defaults over 15 days (L. '65, S. B. 665, sec. 309 (a), (d), (f).	do	On outstanding balance (L. '65, S. B. 665, sec. 309(a).
Puerto Rico	Revolving account credit plan: 15 cents per $10 on $250 or less; 10 cents per $10 on excess (Puerto Rico par. 6023, 6502).	do	On monthly balance (Puerto Rico par. 6502).
Rhode Island	Revolving credit plan: 18 percent per year (free period on purchase, 30 days, or 21 days after statement) (Rhode Island par. 6014). Limitation does not apply to banks, etc., and other business governed by law (Rhode Island par. 6015).	40 cents (Rhode Island par. 6014).	On periodic balance (Rhode Island par. 6014).
South Carolina	There are no open end credit provisions.		
South Dakota	Bank revolving credit: 2 percent on $500 or less; 1½ percent on excess (South Dakota par. 6102).	$1 (South Dakota par. 6102)	On no greater than (1) average daily balance, or (2) balance on same day of billing cycle (4-day variance); or median within specified range within which (1) or (2) falls, provided the charge on a median does not exceed charge on lowest amount in range by more than 8 percent (South Dakota par. 6102).
	There are no other open end credit provisions. However, the South Dakota Supreme Court has ruled that retail charge account finance charges are subject to the usury law See CCH Consumer Credit Guide par. 99,275.		
Tennessee	Charge agreement: 15 cents per $10 (Tennessee par. 6013).	70 cents (Tennessee par. 6013)	On balance for month or other regular period or balance within range of $10 on basis of median amount within such range (Tennessee par. 6013).
Texas	Charge agreement: 15 cents per $10 on $500 or less; 10 cents per $10 on excess (Texas par. 6018).	75 cents (Texas par. 6109)	On balance by month or other regular period or balance within range of $10 on basis of median amount within such range (Texas par. 6019).
	Check loan: [5] Rates by Consumer Credit Commissioner for yield equal to add-on interest of $8 per $100 per year; 5 cents per $1 per 10-day default if contracted for; deferment charge equal to difference between prepayment refund on deferment date and 1 month prior to such date times the months deferred (L. '67, H. B. 452, art. 4.01(1), (4), (5), (7)).	No provision	On outstanding principal amount of loan during billing cycle (L. '67, H. B. 452, art. 4.01(4)).
Utah	Open end credit is governed by the Utah Uniform Consumer Credit Code. Charges and fees appear in the "Uniform Consumer Credit Code" Chart at par. 505 of his division.		
Vermont	Charge agreement: 1½ percent on $500 or less; 1 percent on excess (Vermont par. 6024).	25 cents (Vermont par. 6024)	On monthly balance or on basis of median amount within period (Vermont par. 6024).
	Bank credit card: 1½ percent on $500 or less; 1 percent on excess; free period on purchases 25 days from billing date (Vermont par. 6334).	No provision	On aggregate balance in account. Cash advance: average daily balance (Vermont par. 6334).
Virginia	Revolving consumer credit: 1½ percent; free period 25 days from billing; no charge if bill not mailed within 8 days of billing (Virginia par. 6018).	No provision	On monthly balance (Virginia par. 6018).
	Check loan: 1 percent; 25 cents each check, draft or order (Virginia par. 6403).		On daily balances, or maximum calendar or fiscal month balances (Virginia par. 6403).
Washington	Charge agreement: 1 percent not to exceed 12 percent per year (Washington par. 6017).	$1 (Washington par. 6017)	On monthly balance or balance within range of $10 on basis of medium amount within such range (Washington par. 6017).
West Virginia	There are no open end credit provisions.		
Wisconsin	There are no open end credit provisions. However, the Wisconsin Supreme Court has ruled that a retailer's charge account finance charges were subject to the usury law See CCH Consumer Credit Guide par. 99,570.		
Wyoming	Open end credit is governed by the Wyoming Uniform Consumer Credit Code. Charges and fees appear in the "Uniform Consumer Credit Code" Chart at par. 505 of this divsion.		

[1] Arizona check loan is authorized only under written agreement signed by borrower. Agreement may contain any lawful provision (Sec. 6-372) It must contain payment day and amount of total amount due repaid monthly (Sec. 6-375), interest payable (Sec. 6-376, amended by laws any time. (Sec. 6-376, amended by Laws 1969, Ch. 79.) Lender forfeits all interest and borrower recovers twice interest paid for lender knowingly collecting excessive interest. (Sec. 6-380)

[2] New Jersey advance loan contract must have borrower's signature and must state: indebtedness limit; billing cycle; monthly payments; interest rate; later charges; service charges; if applicable, explanation of overdraft coverage; and credit insurance coverage, if requested. Acceleration and confession of judgment prohibited. (Sec. 17:9A-59.2) Monthly payment must be at least 1/36th of aggregate amount owing but not less than $10 unless outstanding balance is less. Order of application of payments: interest, credit insurance, late charges service charges, and principal. (Sec. 17:9A-59.5) Lender forfeits excess interest and borrower recovers twice amount paid within 2 years for lender's knowing collection of excessive interest. (Sec. 17:9A-59.13) At end of each billing cycle, statement must be sent showing balance, amount and due date of new loan, amount of payment, charges, interest, balance on all loans, amount to be paid and payment date. Notice must be given on statement in 10-point type or larger that it represents an accounting and attention must be called to all errors within 6 months. (Sec. 17:9A-59.4) Maximum loan does not include interest, insurance premiums and other charges not part of principal but insurance charges are part of principal for interest. (Secs. 17:9A-59.6, 17:9A-59.11)

[3] New York check loan requires written agreement with borrower Service charges, default fines, insurance, and court costs and attorney fees must be mentioned to be collectible. Payment is required in equal monthly installments within 37 months until there is additional loan. Three consecutive months may be skipped during any year if so provided. Initial payment may be deferred 65 days. Payment must not be less than 1/37th of total loans unpaid at end of month May pay 1/37th of total maximum. May agree to $20 minimum. Prepayment at any time. Order of application of payments: interest, insurance, service charges, fines, principal (See 108(5)) Lender forfeits all interest and borrower recovers twice amount paid for lender's knowingly having charged excess interest. (Sec. 108(6). amended by Laws 1963, Ch. 1072)

[4] Pennsylvania credit plan requires written agreement providing a maximum outstanding balance. A revolving plan loan is due 5 years from date of last loan made under plan. Payments must be equal amounts at equal intervals of not over 3 months each. Installments may be omitted for up to 3 months in each calendar year. Borrower must be given written monthly notice of rate of charge. (Sec. 309)

[5] Texas check loan agreement must be in writing and must contain dates names and addresses of parties, nature of any security, charges in addition to interest, interest for default and deferment, signatures of parties, maximum loan amount, loan method, simple statement of finance charge calculation, insurance coverage method of figuring insurance charges. Periodic statement must contain: outstanding balance at beginning of cycle; loans or advances during cycle excluding interest and charges; interest and charges accrued or debited; borrower's payments; balance at end of cycle; and amount and date of next payment to avoid default. Payment of not less than 5 percent of principal amount of loan outstanding must be paid during billing cycle preceding payment date. (Art. 4.01(4)) Lender forfeits twice amount of interest and other charges for excessive interest, and an additional forfeiture of principal if charged interest is more than double that authorized. (Arts. 8.01, 8.02)

Mr. TOWER. Mr. President, we yield back the remainder of our time.

Mr. PROXMIRE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back, and the question is on agreeing to the amendment of the Senator from Wisconsin. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from South Dakota (MCGOVERN).

If present and voting, the Senator from North Carolina would vote "yea" and the Senator from South Dakota would vote "nay."

I further announce that, if present and voting, the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Oregon (Mr. PACKWOOD) is detained on official business.

Also the Senator from Colorado (Mr. ALLOTT) and the Senator from Kansas (Mr. DOLE) are necessarily absent.

The Senator from Alaska (Mr. STEVENS) is absent on official committee business.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Colorado (Mr. ALLOTT). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Colorado would vote "nay."

The result was announced—yeas 38, nays 38, as follows:

[No. 159 Leg.]

YEAS—38

Aiken	Hughes	Proxmire
Brooke	Inouye	Randolph
Burdick	Javits	Ribicoff
Byrd, Robert C.	Kennedy	Saxbe
Cannon	Mathias	Schweiker
Case	McGee	Spong
Chiles	McIntyre	Stafford
Church	Metcalf	Stevenson
Cooper	Mondale	Symington
Eagleton	Moss	Talmadge
Ellender	Nelson	Tunney
Fulbright	Pearson	Williams
Hartke	Pell	

NAYS—38

Allen	Cook	Jordan, Idaho
Anderson	Cotton	Long
Baker	Cranston	Miller
Bayh	Curtis	Montoya
Beall	Dominick	Percy
Bellmon	Eastland	Roth
Bennett	Fannin	Smith
Bentsen	Fong	Stennis
Boggs	Griffin	Taft
Brock	Gurney	Thurmond
Buckley	Hansen	Tower
Byrd, Harry F., Jr.	Hollings	Weicker
	Hruska	Young

NOT VOTING—24

Allott	Hart	McGovern
Bible	Hatfield	Mundt
Dole	Humphrey	Muskie
Ervin	Jackson	Packwood
Gambrell	Jordan, N.C.	Pastore
Goldwater	Magnuson	Scott
Gravel	Mansfield	Sparkman
Harris	McClellan	Stevens

So Mr. PROXMIRE's amendment (No. 1160) was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENNETT. I move to lay that motion on the table.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered on the motion to lay on the table.

Mr. ROBERT C. BYRD. Mr. President, will the Chair please clear the well and the aisles so that we may have order?

The PRESIDING OFFICER (Mr. EAGLETON). The Chair asks the clerk to suspend until Senators are seated, so that Senators may hear when their names are called.

The question is on agreeing to the motion to lay on the table the motion to reconsider. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SAXBE. Mr. President, on this vote I have a pair with the junior Senator from Illinois (Mr. PERCY). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from Louisiana (Mr. ELLENDER), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from North Carolina would vote "yea" and the Senator from South Dakota would vote "nay."

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PASTORE), the Senator from Louisiana (Mr. ELLENDER), and the Senator from Georgia (Mr. GAMBRELL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

Also, the Senator from Colorado (Mr. ALLOTT), the Senator from Kansas (Mr. DOLE) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The Senator from Alaska (Mr. STEVENS) is absent on official committee business.

On this vote, the Senator from Colorado (Mr. ALLOTT) is paired with the Senator from Oregon (Mr. HATFIELD). If present and voting, the Senator from Colorado would vote "yea" and the Senator from Oregon would vote "nay."

The pair of the Senator from Illinois (Mr. PERCY) has been previously announced.

The result was announced—yeas 37, nays 37, as follows:

[No. 160 Leg.]

YEAS—37

Allen	Cotton	Miller
Baker	Cranston	Montoya
Bayh	Curtis	Packwood
Beall	Dominick	Roth
Bellmon	Eastland	Smith
Bennett	Fannin	Stafford
Bentsen	Fong	Stennis
Boggs	Griffin	Taft
Brock	Gurney	Thurmond
Buckley	Hansen	Tower
Byrd, Harry F. Jr.	Hruska	Weicker
	Jordan, Idaho	Young
Cook	Long	

NAYS—37

Aiken	Hollings	Pell
Anderson	Hughes	Proxmire
Brooke	Inouye	Randolph
Burdick	Javits	Ribicoff
Byrd, Robert C.	Kennedy	Schweiker
Cannon	Mathias	Spong
Case	McGee	Stevenson
Chiles	McIntyre	Symington
Church	Metcalf	Talmadge
Cooper	Mondale	Tunney
Eagleton	Moss	Williams
Fulbright	Nelson	
Hartke	Pearson	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Saxbe, against

NOT VOTING—25

Allott	Hart	Mundt
Bible	Hatfield	Muskie
Dole	Humphrey	Pastore
Ellender	Jackson	Percy
Ervin	Jordan, N.C.	Scott
Gambrell	Magnuson	Sparkman
Goldwater	Mansfield	Stevens
Gravel	McClellan	
Harris	McGovern	

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the motion to reconsider the vote by which the amendment was rejected.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider the vote by which the amendment was rejected. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SAXBE (when his name was called). Mr. President, on this vote I have a pair with the Senator from Illinois (Mr. PERCY). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from Louisiana (Mr. ELLENDER), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from North Carolina would vote "nay" and the Senator from South Dakota would vote "yea."

I further announce that, if present and voting, the Senator from Louisiana (Mr. ELLENDER), the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Georgia (Mr. GAMBRELL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

Also, the Senator from Colorado (Mr. ALLOTT), the Senator from Kansas (Mr. DOLE), and the Senator from Illinois (Mr. PERCY) are necessarily abent.

The Senator from Alaska (Mr. STEVENS) is absent on official committee business.

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from Colorado (Mr. ALLOTT). If present and voting, the Senator from Oregon would vote "yea" and the Senator from Colorado would vote "nay."

The pair of the Senator of Illinois (Mr. PERCY) has been previously announced.

The result was announced—yeas 36, nays 38, as follows:

[No. 161 Leg.]

YEAS—36

Aiken	Hollings	Pearson
Brooke	Hughes	Pell
Burdick	Inouye	Proxmire
Byrd, Robert C.	Javits	Randolph
Cannon	Kennedy	Ribicoff
Case	Mathias	Schweiker
Chiles	McGee	Spong
Church	McIntyre	Stevenson
Cooper	Metcalf	Symington
Eagleton	Mondale	Talmadge
Fulbright	Moss	Tunney
Hartke	Nelson	Williams

NAYS—38

Allen	Cook	Long
Anderson	Cotton	Miller
Baker	Cranston	Montoya
Bayh	Curtis	Packwood
Beall	Dominick	Roth
Bellmon	Eastland	Smith
Bennett	Fannin	Stafford
Bentsen	Fong	Stennis
Boggs	Griffin	Taft
Brock	Gurney	Thurmond
Buckley	Hansen	Tower
Byrd, Harry F., Jr.	Hruska	Weicker
	Jordan, Idaho	Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Saxbe, for

NOT VOTING—25

Allott	Hart	Mundt
Bible	Hatfield	Muskie
Dole	Humphrey	Pastore
Ellender	Jackson	Percy
Ervin	Jordan, N.C.	Scott
Gambrell	Magnuson	Sparkman
Goldwater	Mansfield	Stevens
Gravel	McClellan	
Harris	McGovern	

So the motion to reconsider was rejected.

Mr. TAFT. Mr. President, I call up my amendment at the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. HUGHES). The amendment will be stated.

The assistant legislative clerk read as follows:

S. 652

On page 19, line 7, strike the quotation mark and insert the following:

SEC. 170.—RIGHTS OF CREDIT CARD CUSTOMERS

With respect to any sales transaction where a credit card has been used to obtain credit, where the seller is a person other than the card issuer, and where the seller accepts or allows a return of the goods or forgiveness of a debt for services which were the subject of such sale, the seller shall, unless otherwise requested by the buyer, promptly transmit to the credit card issuer a credit statement with respect thereto and the credit card issuer shall credit the account of the obligor for the amount of the transaction.

Mr. TAFT. Mr. President, this amendment is a simple one, and I hope noncontroversial. It would require that when a seller allows a return of goods or forgiveness of a debit for services purchased with a credit card, he shall arrange with the credit card issuer to have the amount of the transaction credited to the account of the purchaser.

This amendment would insure that a consumer will not have to pay a credit card company for goods which he has returned or services which the seller agrees he did not provide. The amendment would also have the effect of prohibiting the seller from requiring that any credit given for a return on a credit card purchase must be spent in his store unless the buyer wished such an arrangement. Many consumers who receive defective or otherwise unsatisfactory merchandise have no desire to make another purchase at the same store, yet this is often the only way in which they are permitted to utilize their original expenditure.

My amendment would in no way infringe upon the prerogative of a seller to adopt whatever return policy he deems appropriate. I believe that in cases where a return is accepted, however, it will relieve consumers from having to pay bills that they do not owe or buy merchandise that they do not want.

Mr. PROXMIRE. Mr. President, I have discussed this amendment with the distinguished Senator from Ohio. It is a good amendment. It is a consumer amendment. It makes sense. It is equitable. We do not have a record in the hearing that this matter came up in the hearing but, under the circumstances, I am willing to vote in favor of the amendment, and I hope that the Senate will accept it.

Mr. TOWER. Mr. President, speaking on behalf of the minority, we are prepared to accept the amendment.

Mr. TAFT. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from Ohio (Mr. TAFT).

The amendment was agreed to.

NOMINATION OF RICHARD G. KLEINDIENST

Mr. EASTLAND. Mr. President, I ask unanimous consent to have printed in the RECORD the text of a letter I have today sent to the distinguished majority leader.

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

U.S. SENATE,
Washington, D.C., April 27, 1972.

Senator MIKE MANSFIELD,
Majority Leader,
U.S. Senate.

DEAR SENATOR MANSFIELD: Please be advised that the Judiciary Committee today adopted in Executive Session by a vote of 11 to 4 the following motion:

"This Committee reaffirms its action heretofore taken in favorably reporting to the Senate the nomination of Richard G. Kleindienst of Arizona to be Attorney General of the United States, with the recommendation that the nomination be confirmed."

Sincerely,

JAMES O. EASTLAND,
Chairman.

TRUTH IN LENDING ACT AMENDMENTS OF 1972

The Senate continued with the consideration of the bill (S. 652) to amend the Truth in Lending Act to protect consumers against careless and unfair billing practices, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MOSS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment, as follows:

On page 22, line 15, after the word "follows:" strike out everything through page 24, line 16, and insert in lieu thereof the following:

"(a) Except as otherwise provided in this section, any creditor who fails in connection with any consumer credit transaction to disclose to any person any information required under this chapter to be disclosed to that person or who fails to comply with any requirement imposed under Chapter 4 of this title (other than section 161) is liable to that person in an amount equal to the sum of—

(1) twice the amount of the finance charge (if any) in connection with the transaction, except that the liability under this paragraph shall not be less than $100 nor greater than $1,000 in an individual action; or

(2) in the case of a class action such damages as the court may allow, but not more than the greater of $50,000, or 1 per centum of the assets of the creditor as of the end of the creditor's fiscal year immediately preceding the fiscal year in which the failure occurred; and

(3) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court."

Mr. MOSS. The amendment which I offer today is designed to reverse the topsy-turvy class action arrangements in the present bill. Instead of placing a ceiling of $50,000 on a class action or limiting the ghetto loan shark's exposure to 2 percent of his net worth, my amendment would make a creditor, who fails to comply with the truth-in-lending law, liable to a class of consumers for that amount of damage which the court determines appropriate. In other words, the decision as to the appropriate level of damage is left to the court as is the case in most of legal disputes.

But in order to insulate creditors from class actions that could destroy them financially, the court may not assess damages against the liability of any particular creditor in an amount in excess of 1 percent of the net worth of the creditor as of the end of the creditor's fiscal year immediately preceding the fiscal year in which the violation of the truth-in-lending law occurred. In order to deter thinly financed entrepreneurs from violating the truth-in-lending law with impunity, because of the 1 percent of net worth damage limitation, such limitation does not apply to damages below $50,000.

In the case of an individual action, the amendment establishes a minimum liability of $100 and a maximum liability of $1,000, which is the same as in the present bill.

Finally, my amendment would authorize the court to award costs of reasonable attorney's fees in any successful action to enforce the liability under the truth-in-lending law.

I would point out, Mr. President, that under the circumstances which now exist, the law provides that $50,000 or 2 percent of net worth, whichever is less, is the ceiling that may be recovered in a class action. Therefore, in no event can it be higher than $50,000.

In a case where it is a violation that is widespread and by a large corporation, the total amount of $50,000, if that were awarded by the court, would not be a deterrent at all. It would be minimal.

There are cases where damages might go very high. If the 2 percent or the $50,000 had had a choice of the higher, why, of course, we would not have this situation, but it is whichever is less.

I have turned that around and say that the ceiling shall be $50,000 or 1 percent of net worth, whichever is the higher. That enables the judgment—if the court renders the judgment for a violation—to be of a sufficient amount. If there are many people in the same class action, and it is a large institution, it would be enough to have a deterrent effect.

I think this makes the penalty section, then, meaningful in the event of a violation.

I would point out also to the Senate that the Vice Chairman of the Federal Reserve System has spoken generally on this subject, in a letter that was sent to the Senator from Wisconsin (Mr. PROXMIRE) on the Committee on Banking, Housing and Urban Affairs, in which he discusses this matter.

He says:

Section 208 provides civil liability for both Chapter 2 violations (Truth in Lending disclosure) and Chapter 4 (Fair Credit Billing). It provides liability for actual damages sustained by the consumer for failure to comply with the requirements of either Chapter, as well as such punitive damages as the court may allow. Punitive damages may not be less than $100 in the case of an individual action and, in the case of a class action, not more than $50,000 or 2% of the net worth of the creditor, whichever is less. The successful plaintiff may also recover court costs, including attorney's fees.

At the outset let me say that I believe it is a mistake to have a single section applicable to both Truth in Lending and Fair Credit Billing violations. While actual and punitive damages may be appropriate for the Fair Credit Billing requirements (for example, where the creditor intentionally reports as delinquent a disputed amount in violation of Section 162 and the customer suffers adverse consequences), it is my belief, for the reasons stated below, that these damage provisions are inappropriate as a substitute for the present civil liability provisions of the Truth in Lending Act. Although section 208 seemingly preserves the class action remedy for violations of the Truth in Lending Act and appears merely to set a maximum limit on class action recovery, in fact, it may effectively preclude Truth in Lending class action suits.

He goes on to say:

Likewise, the new punitive damage clause in section 208(a)(2) is a significant departure from the present civil liability provisions in section 130 which establish minimum damages, not characterized as "punitive", for a creditor's failure to disclose the required information. The punitive damage concept seems to presuppose a finding by the court of deliberate deception or non-disclosure, gross negligence, malice, or the like, which presently would not be at issue in a civil suit for Truth in Lending violations. For example, section 208 directs the court to consider, among other factors, the extent to which the creditor's failure to comply was "intentional." All of this could make it much more difficult to bring a successful class action for Truth in Lending violations.

In summary, the new civil liability provisions in section 208 might be so interpreted as to place such impediments in the way of maintaining a civil suit for Truth in Lending violations that the question of whether a limit of $50,000 or 2% of net worth is an appropriate ceiling may be a hollow issue—interesting to speculate about, but of no real substance since there is little likelihood of ever approaching that limit.

In summary, he, in effect, approves of the classification this amendment would make in the law. So, I return again to what he said in the first instance, that what we are confronted with now is a limitation in the amount that a judge may assess as the recovery for damages that is so limited that the deterrent effect is not adequate to hold in restraint the large institutions which deal with a large class of people who might be damaged by a violation of the Truth in Lending Act.

I, therefore, believe that the amendment would improve the standards greatly. I would hope that the amendment could be accepted by the manager of the bill.

Mr. President, I ask unanimous consent that the junior Senator from South Dakota (Mr. MCGOVERN) be added as a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. HUGHES). Without objection, it is so ordered. Who yields time?

Mr. MOSS. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senior Senator from Utah is recognized.

Mr. BENNETT. Mr. President, by turning the amendment around, even though it cuts the lower figure from 2 to 1 percent, my colleague from Utah has effectively raised the potential ceiling on the small bank.

The committee bill provides $50,000 or 2 percent of the net worth, whichever is lower, for the small bank. And for the average bank in the smaller or medium-sized State and for the credit unions and other lenders, that 2 percent would not represent an undue penalty. However, by turning it around, we automatically say that every small lender, credit union, savings and loan association bank, or merchant is automatically responsible for $50,000. Then we apply the 1 percent. Of course, the 1 percent really does not come into play until we get up to $50,000. But we use that to hit the big bank, the big retailer, the big chain store. They can take care of themselves. However, I am concerned about the effect on the small bank and the little credit union. They will suddenly find themselves faced with a class action. And there are a good many of them. And they will be automatically responsible for up to $50,000, which may be more than their capital or their assets.

We purposely turned it around to protect the little man. However, this puts the little man right under the gun. While the 1 percent, if it were a nationwide situation, might be a little bit of a prob-

lem for the big retailer and the big banks, to me that is not so important as the effect it would have on the little man.

Mr. President, it has been called to my attention that the Senator has changed the concept of net worth in the committee bill to 1 percent of the assets of the creditor. Is it not assets or gross assets? How do we define the assets of a merchant or the assets of a credit union?

Mr. President, I think that this amendment is very dangerous. And I think it would do a great deal of damage in the form in which it has been offered.

There was a lot of discussion about this problem in the committee. We started with $150,000 as the balancing limit. And the committee reduced it to $50,000. As far as I know, that was done by unanimous agreement in the committee. Then, by turning this around, we make a large company liable for the kind of a program that could break it.

The Bank of America has assets of $32 billion. This would open up a potential class action suit against them for $320 million. Maybe they could live under it. However, if the little credit union operating down the street gets into trouble, they may face a liability of $50,000. It is either 1 percent or $50,000, whichever is higher. One percent may not bother them. However, the $50,000 would put them out of business.

I think the Senate should reject this amendment quickly.

Mr. MOSS. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. MOSS. Mr. President, I think that my colleague from Utah has overlooked the fact that this amendment provides that the judgment should be whatever the court finds to be appropriate under the circumstances. However, having said that, it puts on a ceiling that the court may not exceed.

The Senator is absolutely correct. The first ceiling is reached at $50,000. The court may, regardless of any assets or lack of assets, assess damages within that range. However, if the damages should go beyond $50,000 in the case of a large company, it has a second suit with a ceiling it may not exceed, and that ceiling is 1 percent of the assets of the corporation.

In the case of the Bank of America, which my colleague referred to, it could be a very high amount. It could be very high only if a lot of creditors were damaged and could show their damages, and if there were a great many of them and the court was convinced those damages were real and, therefore, should be compensated. Even so, whatever the judgment of the court would be it could not exceed 1 percent of the assets of the corporation.

So the argument that it would break a lot of institutions is not very valid. One percent is not enough to throw into bankruptcy any of the financial institutions that have been in violation of the statute. I think this is a realistic way to deal with the problem, to say we want to put some limit on it; we are putting a ceiling, and we would leave it to the jurisdiction of the court to make the judgment and what the appropriate damages are.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. BENNETT. That is no different than the committee bill. The court has to make a finding. This is not a question of damages; this is a question of an award by the court as a penalty for violation. The court can find actual damages and they can be paid in full with no limit, but after the actual damages have been handled the court has the ability to assess a penalty up to those figures.

Mr. MOSS. Yes, but the Senator used the Bank of America as an example. The Bank of America, by issuing proper instructions, or whatever, could have $500,000 but it still could not go beyond $50,000.

Mr. BENNETT. The Senator is mistaken. If it is actual damage, the damage can be recovered in full regardless of how big it is. We are talking about an additional penalty, not actual damages.

Mr. MOSS. I do not see that and I would be glad to be referred in the bill to the section that provides all the damages to be recovered and beyond that we can recover more than just that.

Mr. PROXMIRE. Mr. President, will the Senator yield to me for 5 minutes on the bill?

Mr. MOSS. I am happy to yield to the Senator from Wisconsin.

Mr. BENNETT. Before the Senator begins, may I answer the question?

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

Mr. BENNETT. On page 22 of the bill, at the bottom of the page, section 208, entitled "Limitation on Class Action Liability," if the Senator will read down below the paragraph that he will see that it states:

"(a) Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed under this chapter or chapter 4 of this title (other than section 161) with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damages sustained by such person as a result of the failure;

"(2) such punitive damages as the court may allow, except that such damages shall (A) be not less than $100 in the case of an individual action, or (B) in the case of a class action, not more than the lesser of $50,000, or 2 per centum of the net worth of the creditor as of the end of the creditor's fiscal year immediately preceding the fiscal year in which the failure occurred; and

It is punitive damages covered by the limits and not the actual damages.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. PROXMIRE. The fact is the actual damages are very hard to establish under truth in lending. How does one show actual damages in a truth in lending action? The only effective damages are punitive. This is all we are talking about. I am in favor of the amendment offered by the Senator from Utah (Mr. Moss) to strengthen the consumer class action provision in truth in lending. The committee bill virtually emasculates these provisions.

Section 130(e) of this act authorizes consumers to bring class actions in the Federal courts against creditors who violate truth in lending. Each member of the class is entitled to a minimum liability of $100. Thus a class action involving millions of credit card holders can inflict an enormous civil liability upon a creditor.

I realize that could be too much for a creditor and I agree we should have limits on it. I agree with the need to place some reasonable limit on a creditor's aggregate class action liability. However, in my view, the committee set an unreasonably low limit of $50,000 or 2 percent of a creditor's net worth, whichever is less.

The fact is that a maximum penalty of $50,000 is hardly sufficient to cure violations on the part of many giant banks or retailers. For example, the Bank of America has a net worth of $1.4 billion.

Thus, its maximum liability of $50,000 is only 0.003 percent of its net worth. By way of contrast, a small corner drugstore selling on credit has a maximum liability equal to 2 percent of its net worth. Thus the small corner drugstore has a relative liability 667 times greater than the giant Bank of America.

Mr. President, when you talk about small business, the committee bill makes the small business man pay 1,000 times as much, 1,000 times as great a liability as the big bank.

The maximum liability figure should be substantially raised in order to provide a meaningful incentive for compliance by large creditors. If the committee thinks a 2-percent of net worth penalty is reasonable for small creditors, how can it justify a much smaller penalty for large creditors? The maximum penalty figure is clearly inadequate.

J. R. Robertson, Vice Chairman of the Federal Reserve Board, the man who administered truth in lending, and he has been on the Federal Reserve Board for many years and he is highly respected, has serious reservations about what the committee provided in the bill.

In testifying before the House Banking Committee on March 22, 1968, Governor Robertson referred to the committee provision and said that he thought it would "unduly restrict class actions and make it an almost impossible thing to maintain." Since Governor Robertson is directly responsible for administering the Truth in Lending Act, his views should be given great weight by the Senate.

Mr. President, I ask unanimous consent to have correspondence with Governor Robertson printed in the RECORD.

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

APRIL 11, 1972.

HON. WILLIAM PROXMIRE,
U.S. Senate, Committee on Banking, Housing and Urban Affairs, Washington, D.C.

DEAR SENATOR PROXMIRE: This is written in response to your request of March 29, 1972, for my personal comments on section 208 of Committee Print No. 3 of S. 652, which contains the Fair Credit Billing Act as well as amendments to the Truth in Lending Act. Section 208 places maximum limits on the class action liability of creditors under the Truth in Lending Act.

In my recent testimony before the Subcommittee on Consumer Affairs of the House Banking and Currency Committee, I discussed the existing class action exposure under the Truth in Lending Act. I indicated that many creditors had been concerned over their possible exposure to class action suits and the possible ruinous liability which might result. Their concern was prompted largely by *Ratner* v. *Chemical Bank New York Trust Company*, a case in which a U.S. District Court held the bank in violation of the Act. The reported $13 million potential liability of the bank in the *Ratner* case led some creditors to fear that similar suits filed against them might even threaten their solvency. The court ultimately held in *Ratner* that a class action was not sustainable, but other class action cases relating to alleged Truth in Lending violations are pending.

As I indicated in my testimony, I believe this almost unlimited class action exposure may be detrimental to consumer interests and, in fact, may be an impediment to effective private enforcement of Truth in Lending through class actions. The courts, which are given a good deal of discretion in determining whether or not to allow class actions, may be inclined to disallow them simply because of the seemingly unreasonable magnitude of the class action recovery. As a result, I believe it is important to suitably limit this exposure. I am equally convinced, however, that class actions should not be so severely limited as to remove the threat of substantial liability to those who violate the Act. In my view the threat of class action liability must be preserved as a deterrent to those creditors who might otherwise take lightly their Truth in Lending responsibilities. It is for this reason that I am concerned about section 208 of Committee Print No. 3.

Section 208 provides civil liability for both Chapter 2 violations (Truth in Lending disclosure) and Chapter 4 (Fair Credit Billing). It provides liability for actual damages sustained by the consumer for failure to comply with the requirement of either Chapter, as well as such punitive damages as the court may allow. Punitive damages may not be less than $100 in the case of an individual action and, in the case of a class action, not more than $50,000 or 2% of the net worth of the creditor, whichever is less. The successful plaintiff may also recover court costs, including attorney's fees.

At the outset let me say that I believe it is a mistake to have a single section applicable to both Truth in Lending and Fair Credit Billing violations. While actual and punitive damages may be appropriate for the Fair Credit Billing requirements (for example, where the creditor intentionally reports as delinquent a disputed amount in violation of Section 162 and the customer suffers adverse consequences), it is my belief, for the reasons stated below, that these damage provisions are inappropriate as a substitute for the present civil liability provisions of the Truth in Lending Act. Although section 208 seemingly preserves the class action remedy for violations of the Truth in Lending Act and appears merely to set a maximum limit on class action recovery, in fact, it may effectively preclude Truth in Lending class action suits.

Section 208(a)(1) allows recovery for actual damages sustained by the consumer as a result of the creditor's failure to comply with any Truth in Lending requirement. While this provision has the appearance of an equitable remedy, the civil liability provisions which presently exist under section 130 of the Act do not require a demonstration of actual damages and, in practice, such damages for disclosure violations are likely to be nonexistent or extremely difficult to prove, particularly in the class action context. In short, the possibility of a successful class action for actual damages seems remote.

Likewise, the new punitive damage clause in section 208(a)(2) is a significant departure from the present civil liability provisions in section 130 which establish minimum damages, not characterized as "punitive", for a creditor's failure to disclose the required information. The punitive damage concept seems to presuppose a finding by the court of deliberate deception or non-disclosure, gross negligence, malice, or the like, which presently would not be at issue in a civil suit for Truth in Lending violations. For example, section 208 directs the court to consider, among other factors, the extent to which the creditor's failure to comply was "intentional." All of this could make it much more difficult to bring a successful class action for Truth in Lending violations.

In summary, the new civil liability provisions in section 208 might be so interpreted as to place such impediments in the way of maintaining a civil suit for Truth in Lending violations that the question of whether a limit of $50,000 or 2% of net worth is an appropriate ceiling may be a hollow issue—interesting to speculate about, but of no real substance since there is little likelihood of ever approaching that limit.

My suggestion, therefore would be to retain section 130(a) in its present form as it applies to Truth in Lending violations, with the addition of a new provision limiting total recovery in a single class action to such amounts as the court may allow, but not to exceed $50,000 or 1% of net worth, whichever is *greater*. By structuring the class action limit on liability to whichever is the greater of $50,000 or 1% of net worth, we could continue to be assured that large creditors, who might easily absorb a $50,000 loss, would strive diligently to avoid violations which might subject them to class action liability. As a result of changing the limit from the *lesser* of $50,000 or a percentage of net worth to the *greater* of these two figures, I believe it would be appropriate to reduce the net worth percentage to 1% which, if granted by the court, would be a very significant loss for most large corporations. In addition, by giving the court discretion in fixing the liability within these limits, the court would be free to impose a lesser liability where even, for example, a $50,000 judgment might threaten the solvency of the defendant. Draft language to implement my suggestion for an amendment to section 130 applicable to the Truth in Lending Act is enclosed. It would, of course, have to be suitably integrated with the other proposals in section 208 applicable to the Fair Credit Billing Act provisions.

Much of the creditor concern about Truth in Lending class action exposure stems from a fear that even though a creditor has followed Regulation Z and the Board's interpretations of it, a court may declare the Board's rules invalid and subject the creditor to liability for failure to follow the Act, which the court may construe differently from the Board. This is clearly an inequitable result for those creditors who have, in good faith, followed the Board's rules. Accordingly, we have suggested that a "good faith reliance" provision be added to the civil liability section of the Act, and I am gratified to see such a provision incorporated in S. 652 as section 206. The enactment of this provision should relieve some of the concern over class action exposure which has undoubtedly contributed to the introduction of the overly restrictive limits on class actions found in section 208.

It will be contended, no doubt, that the above recommendation for modifying section 208 is excessively severe as to both large and small creditors. Opponents will point out that one percent of the net worth of a great corporation could be $50 million, and that exposing a small retail or service establishment to a $50,000 judgment could result in its bankruptcy. In my judgment, an adequate answer to such arguments rests on (1) the proposed new "good faith" provision of the law and (2) the discretion of the court, in each case, to set the dollar amount of the judgment at an appropriate figure below the applicable maximum.

With the protection of such provisions, I see no sound basis for concern that a large corporation would lose tens of millions of dollars because of an unintentional, technical error, or that a small enterprise would be driven into insolvency as the result of a violation of the Truth in Lending Act; and yet the law would be equipped with penalty provisions that would encourage the "self-enforcement" process, that Congress has intended from the beginning, rather than requiring a mammoth enforcement operation by the Federal government, reaching out to the hundreds of thousands of lenders and other extenders of consumer credit.

Sincerely,

J. L. ROBERTSON.

SECTION 130. CIVIL LIABILITY

(a) Except as otherwise provided in this section, any creditor who fails in connection with any consumer credit transaction to disclose to any person any information required under this chapter to be disclosed to that person, is liable to that person in an amount equal to the sum of

(1) twice the amount of the finance charge (if any) in connection with the transaction, except that the liability under this paragraph shall not be less than $100 nor greater than $1,000 in an individual action; or

(2) in the case of a class action such damages as the court may allow, but not more than the greater of $50,000, or 1 per centum of the net worth of the creditor as of the end of the creditor's fiscal year immediately preceding the fiscal year in which the failure occurred; and

(3) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court.

Mr. PROXMIRE. Mr. President, Governor Robertson is responsible for administering the law. He worked with it. We recognize him as a fair man. He understands the problems of creditors. I understand the Senator from Utah primarily took his amendment from the suggestion of Governor Robertson. It makes more sense and it is fair to the small businessman.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BENNETT. The statement of Governor Robertson is 1 percent of net worth, but now it is changed to 1 percent of assets.

Mr. PROXMIRE. I realize that. That is a great difference. Nevertheless, I think the fundamental principle is the same as the Senator from Utah (Mr. Moss) proposes. But the Senator from Utah is correct; it is a great difference.

Mr. BENNETT. It greatly increases the penalty.

Mr. President, I yield 3 minutes to the Senator from Tennessee.

Mr. BROCK. Mr. President, I wish to point out that the use of assets and net worth makes it seem ridiculous. There is large volume, and all of a sudden a company begins to accumulate assets, but that means when you talk about 1 percent of assets you can wipe them out with this kind of action.

We worked long and hard in committee trying to effect a compromise which would allow total action for damages plus punitive damages with a $50,000 ceiling and 2 percent of net worth. But the amendment is an amendment that would affect the opportunity for business to compete under the program.

Mr. BENNETT. Mr. President, I am prepared to yield back my time.

Mr. PROXMIRE. Mr. President, before time is yielded back, could we have a quorum call?

Mr. MOSS. Yes. I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. MOSS. With the time to be equally divided.

Mr. BENNETT. That is fine.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The PRESIDING OFFICER. (Mr. MONDALE). Without objection, it is so ordered.

Mr. MOSS. Mr. President, I ask unanimous consent that I may modify the amendment which is now before the Senate, and I send to the desk the modification.

The PRESIDING OFFICER. Without objection, it is so ordered. The modification will be stated.

The second assistant legislative clerk proceeded to read the modification.

Mr. MOSS. Mr. President, rather than have this read—it is rather technical language—I ask unanimous consent that I may describe it, and ask my colleagues, if they wish, to examine the modification at the desk.

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Mr. President, reserving the right to object, the modification is not very long, is it?

Mr. MOSS. All right, let the clerk go ahead and read it.

The second assistant legislative clerk read the modification, as follows:

On page 22, line 23, strike "punitive damages" and insert "additional amount" in lieu thereof.

On page 22, line 24, strike "such damages" and insert "the total awarded" in lieu thereof.

On page 23, line 1 strike out all from the word "than" to the semi-colon on line 4 and insert "$100,000" in lieu thereof.

On page 23, line 10, strike "punitive damages" and insert "award" in lieu thereof.

The PRESIDING OFFICER. Does the Senator wish his modifications considered en bloc?

Mr. MOSS. I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOSS. Mr. President, this modification has come about by reason of discussion with those who were opposed to my amendment, and it is believed that this will accomplish at least an appreciable advance in this area, although it is considerably less than the amendment originally called for.

I, therefore, submit the amendment as modified, and ask for a vote upon it.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. MOSS. I am glad to yield back the remainder of my time, if the other side is willing to do so.

Mr. BENNETT. I am happy to yield back the remainder of the time in opposition.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Utah (Mr. Moss), as modified.

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 19, line 7, immediately after the period, insert the following: "No state law which provides greater protection for consumers than the protection provided by this law shall be pre-empted by this law to the extent of the greater protection."

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield, without losing his right to the floor?

Mr. TUNNEY. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on this amendment be limited to 20 minutes, to be equally divided between the distinguished mover of the amendment and the distinguished Senator from Utah (Mr. BENNETT), and that the time on each of the two additional amendments which the distinguished Senator from California (Mr. TUNNEY) intends to offer be limited to 30 minutes, to be equally divided between the Senator from California and the Senator from Utah (Mr. BENNETT).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the name of my colleague (Mr. CRANSTON) be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I call up my amendment to insure that States so desiring are allowed to offer a consumer greater protection than does S. 652. We must be extremely careful here not to preclude our various States from giving consumers greater protections than are contained in S. 652.

The distinguished chairman of the Banking, Housing and Urban Affairs Committee has stated in the report to S. 652 that—

He would not want to see any legislation adopted which would take away from consumers any of the protection given to them by State law.

The committee report also makes the observation that—

Under existing interpretations——

Of the disclosure provisions of the truth in lending law,

the Federal Reserve Board has held a State law is not inconsistent with Federal law if it provides a greater degree of consumer protection.

I propose to make explicit in the text of S. 652 what the committee report implies.

My amendment would provide for more efficient and expedient administration of the law and would avoid the dangers of either future changes in interpretations by the Federal Reserve Board or extended and unnecessary litigation if a Federal or State court subverts congressional intent in this area.

The amendment says that if a State law affords greater protection to consumers it is not to be considered as inconsistent with the provisions of S. 652.

Thus a creditor's compliance with such a State law would not constitute a violation of the provisions of S. 652.

I propose that we permit the States to continue to be partners with the Federal Government in consumer protection. This would be consistent with the approach to State legislation which we have taken with the Truth-in-Lending Act which S. 652 amends. It is also consistent with the approach taken in S. 986, the consumer warranty bill, the Clean Air Act and the Federal Highway Safety Act.

Alfred H. Song, chairman of the California State Senate's judiciary committee and author of the State's fair credit billing law has specifically requested that—

S. 652 contain a provision permitting a State to provide additional consumer protections if it so desires.

There are many provisions of State law which do afford California consumers greater protection than does S. 652. There are in addition areas within S. 652 which Senator Song, and I am sure other members of the California Legislature might want to strengthen.

Let us insure that their ability—and that of other State legislatures—to do so, is firmly preserved.

Mr. BENNETT. Mr. President, I yield myself 2 minutes.

The bill as reported by the committee is adequate to take care of any fears that the sponsor of this amendment may have. The bill contains a provision stating that this chapter does not annul, alter, affect, or exempt any person subject to the provisions of this chapter from complying with the laws of any State with respect to credit billing practices, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency—section 169, page 19 of the bill. A similar provision is embodied in the present Truth-in-Lending Act with respect to its disclosure provisions. To my knowledge, there has been no problem with the present provision which the Federal Reserve Board has interpreted to mean that a State law is not inconsistent with the Federal law if it provides a greater degree of consumer protection.

I have no objection to this amendment, which simply nails down that particular point of view, and I would be very happy to join with the rest of my colleagues in accepting it. I am happy to yield back the remainder of my time.

Mr. PROXMIRE. Mr. President, I join with the Senator from Utah. I think this does, as he says, nail down the opportunity for States to have stronger consumer protection laws in this regard. I believe the Senator from California has made a very constructive proposal, and I think we should agree to it.

The PRESIDING OFFICER. Does the Senator from California yield back the remainder of his time?

Mr. TUNNEY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MONDALE). All time having been yielded back, the question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

AMENDMENT NO. 1157 (AS MODIFIED)

Mr. TUNNEY. Mr. President, I send to the desk another amendment, which is my amendment No. 1157 as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the amendment.

The second assistant legislative clerk read as follows:

On page 11, at the bottom of the page, add the following:

"170. Prohibition of billing for undelivered goods or services.".

On page 19, line 7, strike out the quotation marks.

On page 19, between lines 7 and 8, insert the following:

"§ 170. Prohibition of billing for undelivered goods or services

"No creditor who operates an open-end consumer credit plan shall bill an obligor (1) for any goods which have not been mailed or otherwise sent to the obligor, or (2) for any services which have not been provided to the obligor. Nothing in this section prohibits the billing pursuant to a specific agreement for billing in advance of delivery when goods are reserved or laid-away for later billing or the billing for goods or services which are to be provided in more than one installment if the first installment was received by the obligor or has been mailed or otherwise sent to the obligor prior to the date on which the bill is mailed or otherwise sent.".

Mr. TUNNEY. Mr. President, a finance charge for any goods which have not been mailed or otherwise sent to the customer or for any services which have not been provided to the customer is the subject of this amendment. The amendment is identical to my amendment No. 1157, except that it has been modified to specifically exclude so-called layaway plans. The amendment also excludes goods and services which are to be provided in more than one installment, except for the first such installment. In these instances, there is a specifically understood agreement about paying in advance of complete performance which governs the situation.

There is at present a custom among some merchants of billing for merchandise when ordered. In sales of furniture the merchant may know at the time of the sale that some weeks or months will pass before delivery is made. In the sale of air conditioners and other seasonal goods, the merchant urges out of season purchase, with delayed first payment, but levies a finance charge from date of sale. If the merchant levies a finance charge on the beginning balance of the customer's account, the injustice to the customer of applying a finance charge on undelivered purchases may well be greater than if the finance charge reflects payments, and so forth, during the month. The customer will be liable for a longer period of finance charge. But that is not the only basic injustice of the practice of charging for undispatched goods and services.

The charge account is ostensibly a means for financing customers, for extending credit to them on the purchases in order to encourage them to accept the merchant's offerings of his wares at an earlier date than if the customer were paying cash. But when the credit period is conceived to start when the bargain is made rather than when the merchant has performed his obligation to send good merchandise, then the customer is the creditor. He is financing the merchant. But he is not allowed a discount at, for example, 18 percent per annum for the money which he advances to the merchant. Instead, the merchant not only gets working capital from the customer, he makes the customer pay at 18 percent for the capital which he supplies to the merchant. The merchant can get his funds from the bank or other financing institution by the sale of the customer's debt. Yet, he, the merchant, will normally make no payment until perhaps 10 to 30 days after he receives the merchandise. Why should the customer pay a finance charge when the merchant has not yet paid for the goods?

If the merchandise is not good, the finance charges may be added for several months after delivery before corrections are made, if they ever are made. The consumer who buys seasonal goods well in advance of the season, and that is the time when they are most available at the major chain and department stores, will have to pay interest at 18 percent per annum for his children's clothes for some months before they are worn; but worse, he will be charged for interest at 18 percent per annum for some months before his furniture is delivered, and months before his air conditioner is delivered or installed; and may pay interest for additional months before the equipment or furnishings or furniture is satisfactory. If merchants are not prohibited from billing for finance charges prior to satisfactory delivery, they will thus add to the cost of a major piece of equipment by delay in satisfactory delivery. The less ethical the merchandiser, and the more he pushes preseason sales of seasonal goods, the more the customer supplies the merchant with working capital and pays interest at a high rate for providing credit, not for receiving credit.

Mr. BENNETT. I yield myself 6 minutes.

Mr. President, representing the majority of the committee, I oppose this amendment as vigorously as I can, and hope it will be rejected by the Senate as it was rejected by the committee, because there are so many problems connected with it. This is a case where you are trying to solve a situation that does not arise once in 5,000 times, and in order to solve it you create other situations which will make it very difficult for the man who is trying to buy merchandise.

The committee considered the problems involved and agree unanimously to reject the proposal and approve the provision now contained in the committee bill. Let me explain some of the difficulties which resulted in the committee action.

First, the amendment states that—

No creditor who operates an open-end consumer credit plan shall bill an obligator (1) for any goods which have not been mailed or otherwise sent to the obligor, or (2) for any services which have not been provided to the obligor.

Let me repeat that—

For any goods which have not been mailed or otherwise sent to the obligor.

The amendment prohibits the person using an open end credit plan for the purchase of goods or services to order them delivered to anyone except himself. You could not go into a department store at Christmas and buy your Christmas packages and ask that they be delivered to your family or relatives who do not live where you live. This does not make any sense to the committee, since open end consumer credit plans are often used. In fact, they are freely used for any logical purpose for which credit or cash can be used. I am sure that no one in this body would want to deny that privilege to a buyer of merchandise.

Second, open end consumer credit plans can be used for the purchase of custom-made goods for future delivery. The creditor may require a good faith payment by the obligor before he is willing to proceed with the order. But under this bill, you could not order something made and delivered to you when it has been made.

Third, travel and entertainment companies such as Carte Blanche, American Express, Diners Club, and others use open end consumer credit plans as defined in this bill in connection with their credit cards which can be used for the purchase of airline tickets and other accommodations as well as purchases throughout this country and the free world. It is not unusual for a tourist who has purchased an airline ticket to change his travel plans while in a foreign country. When this occurs, he turns in his ticket which was originally issued to him and obtains another ticket for the part of the flight or other travel which he has changed.

The issuer of the credit card sends him a bill on the basis of his original ticket which is sent to the credit card issuer by the airline. This bill would include an amount for services which had not been provided to the obligor since he did not use the entire ticket. The credit card issuer, however, does not know this until a notification of the change in travel plans is received from the foreign travel agent. Thus, if this amendment were approved, the creditor would have failed to comply with requirements imposed by the law and would be liable to the consumer for not less than $100. The committee properly decided that this was an unreasonable obligation to place upon

a creditor for a change in plans over which he had no control.

Now, Mr. President, let me explain how the committee solved the problem of unreceived or undelivered goods or services. The bill now clearly defines on page 14 a billing error as—

A reflection on a statement of goods or services not accepted by the obligor or his designee or not delivered to the obligor or his designee in accordance with the agreement made at the time of a transaction.

If under this part of the bill a charge or a billing is made for something the customer has not received, he can go through the process of claiming that this is a billing error, in which case no charges can be made to his account, nor can his account be referred to a third party as being delinquent until that billing error has been corrected.

Defining this as a billing error brings the requirements relating to the correction of billing errors under section 161 into effect and thus completely protects a consumer against being required to make payment for something which he has not received. At the same time, it does not create the problems which would be created if the sending of such a statement were made illegal. In addition, the wording of the provision presently contained in the bill allows receipt of goods or services by a person other than the one involved in the transaction. It has been argued that under the committee bill, the creditor need only explain that the goods have been delayed and then he can continue pressing for payment. Anyone making such an argument either does not understand the operation of section 161 and its requirements or is trying to confuse the purpose of that section. Section 161 requires that before taking any action to collect the amount in dispute or any part thereof, the creditor must either first, make appropriate corrections in the account of the obligor, or second, send a written explanation or clarification to the obligor after having conducted an investigation setting forth why the account is correctly stated along with documentary evidence of its accuracy if requested by the customer. There are only two alternatives, therefore, available to the creditor.

If this thing happens, he must either credit the account with the amount represented by the bill for the undelivered goods or demonstrate that the account is accurate.

There is no third alternative for him to explain why the account contains a billing error as would be the case if it contained a statement of goods or services not accepted or not delivered in accordance with the agreement made at the time of the transaction. In conducting the investigation required by the law, the creditor would certainly find that goods or services had not been delivered in accordance with the agreement if that were a fact and he would be required to adjust the account to reflect that fact. There is no way under that provision that a creditor could continue to press for payment explaining that there has been a delay in delivery.

Mr. President, there is no doubt that the bill reported by the committee completely protects consumers against being required to pay for items which they should have received according to an agreement but which they have not received. The amendment therefore is unnecessary and, as I have explained, creates many inequities and would require expensive operations by creditors which would increase the costs of granting credit.

Since no benefits would be provided to consumers and the amendment would create disadvantages which would affect only an infinitesimal number of sellers who might try to get away with an attempt to collect for something they had not delivered in the face of an agreement, I think it would really damage this particular bill and I hope that the amendment will be rejected.

Mr. TUNNEY. Mr. President, there are a couple of points; one, that the customer can protest that the goods have not been received, but if he has had to wait 4 months to get the goods he still pays the finance charge on that 4 months.

Mr. BENNETT. The Senator is mistaken. Charges cannot be assessed if the customer protests that there has been a violation of the agreement.

Mr. TUNNEY. Let us assume that the customer has waited, not knowing the provisions of the law, for several weeks, he may still pay the finance charges up to the point of the protest.

Mr. BENNETT. If the Senator will read page 13 of the bill, at the top of the page, he will discover that the creditor will be required to correct any finance charges erroneously billed, so he cannot be required to pay a finance charge for any delays.

Mr. TUNNEY. Where is the Senator reading from?

Mr. BENNETT. From page 13 of the bill—the fourth line to the sixth line.

Mr. TUNNEY. I think the Senator is correct in his interpretation, but let us assume that the goods are just normally late. Would not the Senator agree with me that he could be billed, even though he had not received the goods?

Mr. BENNETT. He could be billed, but he has the right to claim that this is an erroneous billing, which it is. The process of handling this system of billing at a department store or other fairly large business goes on more or less automatically, but we have built into this bill protection, if through the billing, or if the billing goes on, and yet for some reason the merchandise is defective or has not been delivered, or for any other reason the billing is not proper, the pending bill now before the Senate would give the customer the chance to protest or to ask for an explanation and, during that time, if any finance charge is assessed, it must be lifted when the thing has been worked out.

Mr. TUNNEY. The Senator mentioned, as I understood it, from his statement, that there would not be an opportunity for a person, for instance, who had bought an airline ticket, to change his plan of travel.

Mr. BENNETT. This Senator said that we cannot prevent him from changing his travel plans, but the airline company will bill him for the original ticket. In effect, he would be billed for something he did not use. Therefore, this must be settled. I do not think we want to penalize the airline company with a possibly penalty up to $100 because they are going forward billing a man for a ticket they thought he was going to use.

Mr. TUNNEY. Did the Senator from Wisconsin want some time?

Mr. PROXMIRE. Three minutes.

Mr. TUNNEY. Mr. President, I yield 5 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER (Mr. MONDALE). The Senator from Wisconsin is recognized for 5 minutes.

Mr. PROXMIRE. Mr. President, if the Senator from Utah (Mr. BENNETT) is correct, then I think the Senator from California (Mr. TUNNEY) has made some useful legislative history because, frankly, I have worked on this bill—I was the author of the original bill—and I had the same understanding the Senator from California has.

Mr. President, I wholeheartedly support the amendment to stop the practice of billing consumers for undelivered merchandise. This provision was recommended by Miss Betty Furness, former Consumer Affairs adviser to the President, in her testimony filed with the committee. Miss Furness indicated that many complaints have been made about creditors billing for undelivered merchandise, especially on the part of furniture and appliance dealers.

In a typical complaint, a consumer might be promised 2 weeks delivery on a furniture purchase whereas actual delivery may take several months. In the meantime, a charge for the furniture appears on the consumer's monthly billing statement from the store or from a bank if a bank credit card was used. Despite repeated calls and letters, the consumer is continually badgered to pay for merchandise he never even received. The problem becomes even more acute if the furniture was purchased with a bank credit card since the furniture store has probably already received payment from the bank. In this case, the bank is quite anxious to collect from the consumer despite any delivery failures by the merchant. Many consumers give up and pay the amount, hoping the goods will ultimately arrive. In so doing, they make an interest free loan to the merchant.

There does not appear to be any legitimate reason why merchants should bill for undelivered merchandise and thus obtain the free use of their customer's money. As drafted, the provision deleted by the committee would have prohibited creditors who operate open-end or revolving credit plans from billing for goods or services not received by or sent to a consumer. A creditor would have been permitted to bill for goods the same day he shipped them and thus would not have been penalized for unforeseeable mail delays. Under the Federal Reserve Board's general regulatory authority, exceptions could have been made in unusual situations such as billing for clothes sold through various "lay-away" or similar plans.

The committee apparently decided to

delete this provision on the grounds that the bill already permits a consumer to withhold payment for undelivered merchandise until the creditor has resolved the dispute in accordance with the provisions of section 161. However, under this section, a creditor need only explain that the goods have been delayed. Once he explains the reasons for delay, he can continue to harass the consumer for payment even though the goods may not be delivered for several additional months. The committee bill thus fails to provide consumers with meaningful protection in this area.

If the Senator from Utah is correct—and I hope he is, because he is a very shrewd, sharp, and alert person who knows a great deal about this legislation—then the customer would be protected. There may not be a need for this legislation, as he said. However, I do think there is room for disagreement on whether this is the situation and whether the customer is or is not protected. It is the intention to protect him. I cannot see that the legislation does harm.

Mr. BENNETT. Mr. President, the measure places limitations on this which provide that one cannot sell any merchandise to anyone except himself. I am sure that the Senator does not intend that.

Mr. TUNNEY. No. They send it to anyone if there is an agreement. It should not be very difficult to get an agreement.

Mr. BROCK. Where is that provided?

Mr. TUNNEY. Where it reads:

> Nothing in this section prohibits the billing pursuant to a specific agreements.

Mr. BENNETT. But that does not say that nothing in this agreement should prevent the seller from delivering goods to someone else.

Mr. BROCK. Mr. President, the amendment provides for an agreement with regard to layaways and installment delivery. That has nothing to do with the purchase of gifts.

Mr. BENNETT. Mr. President, I yield such time to the Senator from Tennessee as he might require.

Mr. COOK. Mr. President, will the Senator yield?

Mr. BROCK. I yield to the Senator from Kentucky.

Mr. COOK. Mr. President, it is to the obligor. In this instance what happens in the situation where I want to send my youngster in college a present and I do not know what to send him? I notify Marshall Field's in Chicago to charge any account for so much and to send a gift certificate to my boy or girl in college. How do I know when the boy will go to the store? They send him a letter and say: "We have so much on account for you. It is at your disposal." Does the Senator mean to tell me that I do not get a bill until one of my children decides 3 months later to go to the store and spend the money, or do we eliminate that?

Mr. BROCK. They eliminate it under the amendment. The Senator talks about customers being badgered. The Senator sat through a lot of hearings and should know that that is not so. They can send one bill. They cannot badger anyone.

Mr. COOK. Mr. President, I agree with the import of the amendment. However, I think it has so many holes in it that the Senator is eliminating most of the type of credit business being done in the United States. With regard to what the Senator from Wisconsin said about people being billed in advance for goods, I could not agree more. However, when the Senator provides in strenuous language that he can enter into an agreement, what does that mean? Suppose I call the florist and say, "Send my mother a dozen roses in Florida, or in Kentucky." I do not receive them. They will say, "Wait a minute. We have to have an agreement, because the law says that we cannot bill you until they receive the goods". Obviously, I am never going to receive them.

Mr. BROCK. The Senator is entirely correct. All day today we have had difficulty between intent and effect. The intent is not bad. However, the effect is disastrous.

The Senator was not in the committee. However, in the committee we went to great lengths to try to resolve this problem.

The Senator from Wisconsin, who now supports the amendment, supported the bill in the committee because of the very problems raised by the Senator from Utah and the Senator from Kentucky.

The fact is that the Senator cannot with this amendment provide the flexibility that we would like to provide.

The amendment is an anticonsumer amendment that destroys the very situation the Senator seeks to protect.

Mr. TUNNEY. Mr. President, the customer is being billed for goods not sent to him. He is being billed for goods. That extends credit to the merchant.

Mr. BROCK. The bill provides that the customer who does not receive goods can refuse to pay the bill.

The PRESIDING OFFICER (Mr. MONTOYA). The time of the Senator has expired.

Mr. BROCK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Utah has 4 minutes remaining.

Mr. BENNETT. Mr. President, I yield the remainder of my time to the Senator from Tennessee.

Mr. TUNNEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from California has 1 minute remaining.

Mr. BROCK. Mr. President, the bill provides that if one has undelivered merchandise, he does not have to pay for it, and he does not have to pay the finance costs. However, the Senator's languages does not do that. It goes way beyond that. In effect, the Senator would simply eliminate large blocks of credit that are available at present and would make it impossible to have airline and travel credit and things like that.

It would literally be impossible to provide credit to the ones whom the Senator is trying to help. The effect of the amendment is negative.

Mr. President, I reserve the remainder of my time.

Mr. TUNNEY. Mr. President, it is quite clear from the language of the bill on page 13, where it says that each person shall send a written explanation or clarification to the obligor, after having conducted an investigation, setting forth to the extent applicable the reasons why the creditor believes the account of the obligor was correctly shown in the statement and, upon request of the obligor, provide copies of documentary evidence of the obligor's indebtedness.

As a practical matter, everyone knows that such a fact could be a harassment, and the average consumer will not be involved in that way. That is very clear.

It is also very clear that insofar as the Federal Reserve Board is concerned, when we talk about an agreement being entered into, the Federal Reserve Board can prescribe the regulations and make it very clear.

Section 105 of regulation 2 states that:

> The Board shall prescribe regulations to carry out the purpose of this title. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof or to facilitate compliance therewith.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BROCK. Mr. President, the Senator just obliterated his own argument. He read language which provides that he has to conduct an investigation and that investigation must show that the charge was correctly shown. If it is not delivered, that cannot be shown. And one cannot have a bill for finance charges.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. BROCK. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, the abuse that the Senator from California is intending to correct is not endemnic or widespread. The remedy would be far worse than the disease in this case.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. Mr. President, I have 1 minute remaining. I would be very happy to yield back my 1 minute.

Mr. TUNNEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from California. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from Nevada (Mr. CANNON), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Wash-

ington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from North Carolina would vote "nay" and the Senator from South Dakota would vote "yea."

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Georgia (Mr. GAMBRELL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

Also the Senator from Colorado (Mr. ALLOTT), the Senator from Arizona (Mr. FANNIN), the Senator from Kansas (Mr. DOLE), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY) are necessarily absent.

The Senator from Alaska (Mr. STEVENS) is absent on official committee business.

If present and voting the Senator from Colorado (Mr. ALLOTT) and the Senator from Iowa (Mr. MILLER) would each vote "nay."

The result was announced—yeas 30, nays 42, as follows:

[No. 162 Leg.]

YEAS—30

Bayh	Hughes	Pell
Burdick	Inouye	Proxmire
Byrd, Robert C.	Javits	Randolph
Case	Kennedy	Ribicoff
Chiles	McGee	Schweiker
Church	Metcalf	Stevenson
Cranston	Mondale	Symington
Eagleton	Montoya	Tunney
Hartke	Moss	Weicker
Hollings	Nelson	Williams

NAYS—42

Aiken	Cooper	Packwood
Allen	Cotton	Pearson
Anderson	Curtis	Roth
Baker	Dominick	Saxbe
Beall	Eastland	Smith
Bellmon	Ellender	Spong
Bennett	Fong	Stafford
Bentsen	Fulbright	Stennis
Boggs	Griffin	Taft
Brock	Gurney	Talmadge
Brooke	Hansen	Thurmond
Buckley	Hruska	Tower
Byrd, Harry F., Jr.	Jordan, Idaho	Young
Cook	Long	
	Mathias	

NOT VOTING—28

Allott	Gambrell	Humphrey
Bible	Goldwater	Jackson
Cannon	Gravel	Jordan, N.C.
Dole	Harris	Magnuson
Ervin	Hart	Mansfield
Fannin	Hatfield	McClellan
McGovern	Muskie	Sparkman
McIntyre	Pastore	Stevens
Miller	Percy	
Mundt	Scott	

So Mr. TUNNEY's amendment (No. 1157), as modified, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1155

Mr. METCALF. Mr. President, I call up my amendment No. 1155.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read the amendment, as follows:

At the end of the bill add the following new section:

§ 212. Repeal of utility exemption

Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended by striking out paragraph (4).

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. METCALF. Mr. President, I yield myself such time as I may need, and I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on this amendment be limited to 30 minutes, to be equally divided between the distinguished mover of the amendment and the distinguished Senator from Utah (Mr. BENNETT).

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield further?

Mr. METCALF. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time on the remaining amendment by the Senator from California (Mr. TUNNEY) be limited to 20 minutes, to be equally divided as heretofore stated.

The PRESIDING OFFICER. Is there objection?

Mr. BENNETT. Mr. President, reserving the right to object, I wonder if the Senator would withhold that request until I can ascertain whether I can take care of my situation?

Mr. ROBERT C. BYRD. Yes. Mr. President, I withdraw this request temporarily.

The PRESIDING OFFICER. How much time does the Senator from Montana yield himself?

Mr. METCALF. Mr. President, I yield myself such time as I may require.

Mr. President, this amendment simply repeals the exemption for regulated utilities provided by section 104, paragraph 4, of the Truth in Lending Act.

That utility exemption did not appear in either the Senate or House versions of the original truth in lending bills. No hearings were held on the exemption. The exemption was inserted by the conference committee and should have been excluded on a point of order.

During the 91st Congress the distinguished senior Senator from Pennsylvania (Mr. SCOTT) and I introduced legislation (S. 3018) to repeal the exemption. I pointed out in my introductory remarks that there had been no testimony, in either House, for the utility exemption, and that neither the Congress nor the Federal Reserve Board had determined that the State regulatory authorities exercised regulatory function in the credit field. I pointed out that the utilities' small business competitors, the fuel oil marketers, were subject to provisions of the act. And I cited an example of an individual being charged interest at the annual rate of 142 percent by a utility with which we are all familiar, the Washington Gas Light Co.

I reintroduced the bill as S. 1406 in the 92d Congress. My bill to repeal the utility exemption was included as section 210 of the Banking, Housing and Urban Affairs Committee Print Number One, dealing with Truth in Lending Act amendments, dated March 1, 1972.

Of course, I am talking about these little squares that appear on electric or gas utility bills, and so forth, where it says, "Pay net amount by" a certain date; and if that net amount is not paid by a certain date, then it says the consumer has to pay the gross amount, which amounts to an increase in the net amount by 10 percent. Sometimes that increase is 20 days or 10 days or 15 days later. What I am trying to do is point out how much interest is charged of these late payments.

However, this section was rejected by the Subcommittee on Financial Institutions, by a 5 to 4 vote, and the recommendation of the subcommittee was upheld by the full committee.

Mr. President, the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) succinctly stated the case for inclusion of my amendment in his individual views on S. 652, which appear in Report No. 90–750.

Consumers are entitled to know the implicit rate of interest being charged for the delayed payment of their monthly utility bills.

Senator PROXMIRE said:

For example a five per cent additional charge for late payment is equivalent to an annual rate of interest of sixty per cent. If a consumer wants to delay payment on his utility bill for a month, he should know that he is being charged interest at the rate of sixty per cent a year.

I would point out here, Mr. President, that many utility consumers do not have as much as a month's time in which to pay their bill in order to escape usurious interest charges. When the mail is delivered promptly, and when I am home to read it, I have 17 days notice from Washington Gas Light Co. There are many persons who do not have the money to pay all their bills within approximately 2 weeks, or even a month. When they do get the money most of them pay their utility bills first, in order to maintain their essential utility service. These are low-income people who subsidize the large utility users through the prevalent block rate structure. To add usurious interest charges to their disproportionately high rates—high despite the fact that their low usage is not contributing to the demand upon which utilities base rate increase requests—is adding insult to injury.

One of the arguments which utilities raise, in their privately expressed objections to my amendment, raises more questions than it answers. They complain about the difficulty and burden of tell-

ing customers about their interest charges.

As Senator PROXMIRE points out on page 30 of Senate report No. 92–750:

A survey taken in Massachusetts and Oregon reveals that home fuel companies are disclosing without difficulty that they are charging customers interest at the rate of eighteen per cent for late payment while public utilities are charging at a much higher rate.

Do not the utilities have as much capability in computing interest as their small competitors do? If not, perhaps they are improperly projecting costs in their rate increase requests, and erroneously forecasting reserve capacity for summer peaks and fuel reserves as well. If utilities' multiplication and compound interest tables are so inadequate these companies had better withdraw from their extensive indoctrination programs in the schools and colleges of this country.

Mr. President, I introduced my amendment in order to help persons who were not being protected by State regulatory commissions. I have long been and continue to be a supporter of strengthened State regulation. I will lean over backward to help members of State commissions and others who indicate that they are going to address themselves to the problems of regulation, help improve the customers' standing and expand the customers' fund of basic information.

Despite Senator PROXMIRE's efforts, and those of several of his colleagues, the Senate committee has not indicated a sensitivity to the problem with which my amendment deals. I say this with sadness, in full realization of the fact that utilities and banks have a much greater capacity for expressing their viewpoint, in Washington and especially through home State affiliates, than do the little people who have lost faith in the ability of the Congress to deal fairly with small problems involving large corporations.

Recently I visited with Chairman Diarmuid F. O'Scannlain of the Oregon Public Utility Commission. He is an energetic young chairman of one of the best State commissions. He has been appointed as chairman of the ad hoc committee on billing practices of the National Association of Regulatory Commissioners. Serving with him will be Chairman William F. Eich of the Wisconsin Public Service Commission and Commissioner Marvin R. Wooten, of the North Carolina Utilities Commission, with staff support from NARUC General Counsel Paul Rodgers.

Commissioner O'Scannlain told me that his committee is going to survey all the State commissions regarding billing practices. We discussed a number of matters in this area including, in addition to the interest on late payment issue, policy with respect to deposits of customers and service connection charges, the need for providing customers—as Washington Gas Light now does—a brief description, on the bill, of the basic rate structure. We also discussed several other items regarding which utility consumers should be regularly informed.

I want to see if the State commissions themselves will promptly move to determine and report the facts and make appropriate changes. I want to help a likely group of State commissioners, and look forward to their report and follow-up action.

Additionally I have been in touch with a member of the Commission on Uniform State Laws, Benny Kass. He is also a member of the Special Committee on the Uniform Consumer Credit Code. Perhaps the members of this commission will see fit to include a provision within the code which would repeal the utility exemption.

So I am going to await the results of two efforts to attain change through the State rather than the Federal route. I hope that these efforts at the State level are successful. If they are not, and if I return to the Senate next year, I shall again see if the Senate Committee on Banking, Housing, and Urban Affairs, however it is then constituted, is willing to take one small step toward fair utility billing procedures over the objection of the most pervasive lobby in the country.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD correspondence relating to Commissioner O'Scannlain's committee and the Commission on Uniform State Laws, on which Benny Kass serves.

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

NATIONAL ASSOCIATION OF
REGULATORY UTILITY COMMISSIONERS,
Washington, D.C., March 14, 1972.

Re: Retention of Regulated Public Utility Exemption in Truth in Lending Act.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN SPARKMAN: The National Association of Regulatory Utility Commissioners (NARUC)* vigorously urges the members of the Committee on Banking, Housing and Urban Affairs to retain the regulated public utility exemption contained in Section 104(4) of the Truth in Lending Act [15 U.S.C., Sec. 1603(4)] during current consideration by the Committee of the proposed Truth in Lending Act Amendments of 1972.

The repeal of the exemption would require regulated public utilities to conform their billing practices to procedures prescribed by regulations of the Federal Reserve Board. We believe that such a concentration of regulatory power in the Federal Government is unwarranted because such billing practices are now subject to comprehensive State regulation. Moreover, each State regulatory agency provides a ready and convenient forum for public consideration of any complaints regarding billing practices.

We understand that Committee consideration of the proposed repeal of the public utility exemption has been largely influenced by the practice of some utilities in applying late charges or "net and gross" differentials in computing the amount of a late bill in order to encourage prompt payment.

The NARUC has not heretofore studied the advantages and disadvantages to the public of such a practice. Accordingly, I am appointing an Ad Hoc Committee on Billing Practices to study this practice, and such other practices as members of Congress or other interested parties may suggest, and to submit its report and recommendations thereon for action by our Eighty-fourth Annual Convention to be held in New Orleans on November 27–30, 1972. We will of course submit the report and recommendations and Convention action thereon to the members of the Committee on Banking, Housing and Urban Affairs and other interested parties, including the news media.

In view of this impending study on utility billing practices by the State regulatory commissions, we would deeply appreciate you and your colleagues deferring action on the proposed repeal of the exemption until after our Convention.

With warm regards and best wishes, I am

Sincerely yours,

FRANCIS RIORDAN, *President.*

*The NARUC is a quasi-governmental nonprofit organization founded in 1889. Within its membership are the governmental bodies of the fifty States and of the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of carriers and utilities. The mission of the NARUC is to improve the quality and effectiveness of public regulation in America.

NATIONAL ASSOCIATION OF
REGULATORY UTILITY COMMISSIONERS,
Washington, D.C., March 22, 1972.

Re: Appointment of the NARUC Ad Hoc Committee on Billing Practices.

Hon. DIARMUID F. O'SCANNLAIN,
Oregon Public Utility Commissioner.
Hon. WILLIAM F. EICH,
Chairman, Wisconsin Public Service Commission.
Hon. MARVIN R. WOOTEN,
Commissioner, North Carolina Utilities Commission.

GENTLEMEN: President Francis Riordan has appointed you as members of the NARUC Ad Hoc Committee on Billing Practices and has designated Mr. O'Scannlain as the Chairman of the Committee.

The mission of your Committee is to study the impact on the public interest of the practice of some utilities in applying a late charge or "net and gross" differentials in computing the amount of a late bill for service, and such other billing practices, as you may deem appropriate or as members of Congress or other interested parties may suggest, and to submit your report and recommendations thereon for action by the Eighty-fourth NARUC Annual Convention to be held in New Orleans on November 27–30, 1972.

You may wish to give consideration to the formulation of proposed model State commission rules governing utility billing practices.

Enclosed is a copy of the letter of President Riordan to Chairman John J. Sparkman of the Senate Committee on Banking, Housing and Urban Affairs, dated March 14, 1972, opposing the repeal of the regulated public utility exemption contained in Section 104(4) of the Truth in Lending Act [15 U.S.C., Sec. 1603(14)] during the Committee's consideration of S. 652, a bill proposing the Truth in Lending Act Amendments of 1972. Subsequently, the Committee reported the bill without an amendment to repeal the exemption.

Your active service on the Ad Hoc Committee is important to the cause of strengthening effective State regulation.

With warm personal regards and best wishes, I am

Sincerely yours,

PAUL RODGERS, *General Counsel.*

NATIONAL ASSOCIATION OF
REGULATORY UTILITY COMMISSIONERS,
Washington, D.C., March 24, 1972.

Mr. VIC REINEMER,
Executive Secretary to Senator Lee Metcalf, 427 Old Senate Office Building, Washington, D.C.

DEAR MR. REINEMER: Enclosed are copies of NARUC correspondence of March 14 and 22, 1972 regarding the establishment of an NARUC Ad Hoc Committee on Billing Prac-

tices to study the validity of late charges being applied to the amount of a late bill for utility service and other practices employed by utilities in billing.

It seems to me that it would be well for the Ad Hoc Committee to formulate a comprehensive questionnaire on this subject for completion by all State regulatory commissions. Accordingly, I will be in touch with you in the near future to get your views as to the kind of questions which should be included in the questionnaire.

I am looking forward to the opportunity of working with you on this important matter.

With warm personal regards and best wishes, I am

Sincerely yours,

PAUL RODGERS,
General Counsel.

NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS,
Washington, D.C., April 26, 1972.

To Each Member of the United States Senate.

Re: S. 652, a bill proposing the Truth in Lending Act Amendments of 1972

DEAR SENATOR: The National Association of Regulatory Utility Commissioners (NARUC)* vigorously urges the members of the Senate to retain the regulated public utility exemption contained in Section 104(4) of the Truth in Lending Act [15 U.S.C., Sec. 1603(4)] during consideration of the above bill on the floor of the Senate tomorrow, Thursday, April 27th.

We understand that Senator Lee Metcalf of Montana will offer at that time Amendment No. 1155 to repeal the exemption.

The repeal of the exemption would require regulated public utilities to conform their billing practices to procedures prescribed by regulations of the Federal Reserve Board. We believe that such a concentration of regulatory power in the Federal Government is unwarranted because such billing practices are now subject to comprehensive State regulation. Moreover, each State regulatory agency provides a ready and convenient forum for public consideration of any complaints regarding billing practices.

We understand that Senator Metcalf's Amendment to repeal the public utility exemption has been largely influenced by the practice of some utilities in applying late charges or "net and gross" differentials in computing the amount of a late bill in order to encourage prompt payment.

The NARUC has not heretofore studied the advantages and disadvantages to the public of such a practice. Accordingly, I appointed an Ad Hoc Committee on Billing Practices* on March 22, 1972, to study this practice, and such other practices as members of Congress or other interested parties may suggest, and to submit its report and recommendations thereon for action by our Eighty-fourth Annual Convention to be held in New Orleans on November 27–30, 1972. I anticipate that the report of the Ad Hoc Committee will include proposed model State commission rules governing utility billing practices.

We will of course submit the report and recommendations and Convention action thereon to the members of the Senate and other interested parties, including the news media.

In view of this pending study on utility billing practices by the State regulatory commissions, we would deeply appreciate you and your colleagues deferring action on the proposed repeal of the exemption until after our Convention.

With warm regards and best wishes, I am

Sincerely yours,

FRANCIS RIORDAN,
President.

COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., April 26, 1972.

Mr. BENNY L. KASS,
Commissioner, Uniform State Laws,
Washington, D.C.

DEAR MR. KASS: As you know, the Senate is considering S. 652, the Fair Credit Billing Act. One item which was proposed for inclusion in this bill involves repeal of the exemption from Truth in Lending for regulated utilities. Under this exemption, transactions under public utility tariffs are exempted if the Federal Reserve Board determines that a State regulatory body regulates the charges for the public utility services involved, the charges for delayed payment, and any discount allowed for early payment.

I attempted to repeal this utility exemption, but to no avail. Despite my efforts, the Subcommittee on Financial Institutions of the Senate Banking and currency Committee decided, by a 5 to 4 vote, to oppose the repeal of this exemption, and this position was upheld by the full committee.

Consumers are entitled to know the rate of interest being charged by utility companies. Perhaps, however, this is a matter which should be left up to the states for their consideration. Accordingly, I encourage you, as a Commissioner on Uniform State Laws and a member of the Special Committee on the Uniform Consumer Credit Code, to include a provision within the Code which would have the effect of repealing this utility exemption.

Your continued interest in the welfare of consumers is appreciated.

Kindest regards.

Very truly yours,

LEE METCALF.

Mr. METCALF. Mr. President, I reserve the remainder of my time.

Mr. BENNETT. Mr. President, there are compelling reasons why regulated public utilities should continue to be exempt from the Truth in Lending Act. Furthermore, any move to make them subject to its provisions would be patently anticonsumer.

First, public utilities throughout the Nation are already subject to regulation. Substituting Federal authority for this State and local control on the face of it would be purely unnecessary and duplicative. Worse, it would throw into the regulatory process elements of confusion and further needless delay.

Second, present regulatory systems are performing admirably in the consumer interest, while the Federal Reserve Board is neither qualified nor equipped to enter into the intricate field of utility regulation. The regulation of utility rates to retail consumers historically has been the responsibility of State and local governments because the Federal Government could not hope to do an adequate job in this field. Should this amendment pass, it would be the beginning of a breakdown in this well considered and exhaustively studied field.

Third, not only would this amendment require utilities to comply with many provisions of the Truth in Lending Act, as the bill before us would amend the act, it would also require public utilities to comply with the Fair Credit Billing Act. Utility billing practices—now regulated by the individual States which have properly established their own, varying rules—would have to conform to national practices. This would be required whether the company used "discount billing," late charges, or "net and gross" differentials, wreaking havoc with practices required by the present regulators and ignoring present local practices which have wide consumer acceptance.

Fourth, the Fair Credit Billing Act establishes procedures for a customer to contest billing errors. That may be well and good for unregulated businesses, but in the case of utilities there is a serious, substantive question whether the Fair Credit Billing Act would allow the use of estimated bills. If utilities could not, this would increase costs to the utilities and subsequently rates consumers pay. Furthermore, I would point out that many consumers of utility services prefer and want estimated bills, so they can adjust them to their household budgets.

Fifth, most utility consumers benefit from "discount" or "net amount" billing practices by paying their bills on time. If they were denied this benefit, or if it should be reduced, they would be shouldering the burden, or at least part of the burden, which should be and now is borne by late payers. It is not fair to penalize an "on time" consumer in such a manner.

Sixth, present rate structures are based on long experience. Changing the setup by making utilities and their regulators conform to national practices could require the whole rate structure to be revamped—a needless and senseless and expensive result, should this amendment pass.

Seventh, this amendment was considered by the committee and was not accepted.

Utility consumers are fully protected from unfair, unreasonable, unlawful, and discriminatory credit charges, and inaccurate and unfair credit billings by a complete body of law and by regulatory agencies, many of which are composed of elected officials. Utilities are in a unique situation when contrasted to the normal, unregulated business. There is no need for this amendment. It challenges current regulatory practices, even to the extent of undermining them. It should be defeated, so utilities and their consumers can continue to benefit from practices that are proven and are working well.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, we are, I think, prepared to yield back the remainder of our time. It is our understanding that the Senator from Montana intends to withdraw his amendment.

Mr. METCALF. I am going to withdraw the amendment if all time is yielded back.

Mr. TOWER. I yield back the remainder of the time in opposition.

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* The NARUC is a quasi-governmental nonprofit organization founded in 1889. Within its membership are the governmental bodies of the fifty States and of the District of Columbia, Puerto Rico and the Virgin Islands engaged in the regulation of carriers and utilities. The mission of the NARUC is to improve the quality and effectiveness of public regulation in America.

*The members of the Ad Hoc Committee are: Diarmuid F. O'Scannlain, Oregon Public Utility Commissioner, as Chairman of the Ad Hoc Committee; William F. Eich, Chairman, Wisconsin Public Service Commission; and Marvin R. Wooten, Commissioner, North Carolina Utilities Commission.

The PRESIDING OFFICER. Does the Senator from Montana yield back his remaining time?

Mr. METCALF. I yield back the remainder of my time, and withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 1159

Mr. TUNNEY. Mr. President, I call up my amendment No. 1159, to prohibit the imposition of a minimum finance charge.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 11, at the bottom of the page, add the following:

"170. Prohibition of minimum finance charge.".

On page 19, line 7, strike out the quotation marks.

On page 19, between lines 7 and 8, insert the following:

"§ 170. Prohibition of minimum finance charge

"No creditor who operates an open-end consumer credit plan may impose a minimum finance charge."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. TUNNEY. I yield.

Mr. ROBERT C. BYRD. I ask unanimous consent, having cleared the request with the author of the amendment and the distinguished Senator from Utah (Mr. BENNETT), that time on this amendment be limited to 20 minutes, to be equally divided between those two Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that time on the rollcall—which I understand the Senator will request—be limited to 10 minutes, and that the warning bell be sounded midway; that time on the rollcall vote on passage of the bill be similarly limited; and that the cloakrooms inform all Senators accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, this amendment has been endorsed by the Chairman of the Federal Trade Commission.

The truth-in-lending law does not require the disclosure to consumers of the annual percentage rate of a credit transaction where the finance charge is within certain minimum limits. The supposed rationalization behind this provision is that a minimum charge allows the creditor to recover the administrative cost of the transaction and that disclosure on an annual percentage rate basis of this minimum charge would present a distorted picture of a necessary cost.

Nowhere in the hearings or report is sufficient data presented that would show the difference there would be in the return to creditors if such minimum charges were prohibited. All the record shows are general statements by industry representatives that such minimum charges are essential to defray the administrative costs of providing revolving credit.

In addition, in March, 1968 the Federal Trade Commission conducted a survey of the installment credit practices of District of Columbia retailers. As part of this survey, the FTC analyzed the impact of finance charges on the low-income consumer. The data showed that bulk of installment credit sales were at effective annual financing rates of 22 percent or more. Nearly half—47.9 percent—was at rates ranging from 26 to 33 percent. By contrast, contracts arising from sales by non-low income general market retailers were at considerably lower rates. Three-fourths of these contracts were at finance rates of 20 percent or less. Less than 1 percent of general market retailer contracts had finance charges exceeding 24 percent.

Even if the consumer credit picture has improved somewhat since 1968, the essential inequities remain. The minimum finance charge seems to bear a share of responsibility for these imbalances.

As a practical matter the low-income customer is particularly vulnerable to the minimum finance charge which is imposed in lieu of the normal interest rate charge of 18 percent if the payment of small amounts are deferred.

For example, a minimum finance charge of 50 cents on a $10 balance is equivalent to a charge of 5 percent a month or 60 percent a year.

Thus, in its operation it works against the low-income consumer and has little if any effect on those who can afford to pay their accounts in full within the required time period. For those whose minimum balance is more than $33 on a revolving credit system, the standard 1½ percent a month charge—or 18 percent a year—is levied. If the balance is below this $33 however, say $10 for example, a minimum charge of 50 cents is levied. On an annual percentage rate basis, this represents a 60 percent per year rate.

As I mentioned, the creditor argues that this charge is necessary to pay for the cost of bookkeeping. However, if unit costs are determined by dividing total bookkeeping costs by the total number of transactions you get one cost figure. If the unit cost is determined by dividing total costs by the total dollar amounts financed you can show far lower costs and no need for a minimum charge.

It seems to me that the permissible interest rate under State law would usually be fixed so as to allow over the total dollars outstanding for the cost of bookkeeping. The use of permissible interest rates would spread the costs of credit over all the customers. The minimum finance charge however, places an unfair portion of the burden on the poor. Creditors impose no minimum charge on those who pay small charge accounts in full.

Clearly the operation of this levy is discriminatory.

When considering the final shape of S. 652 we must weigh these competing interests. On the one side we have the as yet unfounded claims of the credit industry that the minimum charge is an absolute necessity if consumer credit is to remain a viable industry. On the other side we have the claims of the low income consumer and data which show that the impact of this minimum finance charge falls unduly on this class. Thus those least able to pay are bearing the full brunt of this charge.

My amendment will correct this inequitable situation by prohibiting at the Federal level the minimum finance charge on revolving credit bills. Already nine states have passed such legislation and in these jurisdictions the revolving credit business has certainly not dried up. I submit it is time for the Federal Government to act and prohibit such charges nationwide.

The PRESIDING OFFICER. Who yields time?

Mr. BENNETT. I yield myself 5 minutes.

Mr. President, I hope the Senate will reject this amendment overwhelmingly, just as the committee did when it was presented for our consideration.

I would label this the amendment to deprive small purchasers of credit, because that will be its effect.

The only argument made in favor of this proposal is that minimum charges are a discriminatory tax on low-income customers. There is no evidence to support such an argument, and witnesses before the committee made this perfectly clear. In fact, when the Senator from Wisconsin made such a claim during our hearings, he was challenged by a small retailer and withdrew from that position, stating,

Maybe not low-income people as much as people who have to live pretty much as so many people do, so many of us do, on the basis of what we get each month, and we pay as much as we can afford to, and so on.

I do not consider the Senator from Wisconsin as being properly categorized as a person with low income. I repeat again, there is absolutely no evidence that the minimum charge falls more heavily on low-income individuals.

Another small retailer stated:

. . . we regard minimum charges as an inexpensive collection tool, and as a means of reducing credit costs; 27 percent of all our revolving account customers carry a small balance every month. By eliminating the minimum charge, you place a tremendous burden on the small business—that of carrying thousands of dollars of small, virtually uncollectable balances. Such a financial burden on my store would drive our cost of credit up—and drive the amount of credit we could afford to grant down. This is hardly in the best interest of our average customer.

The Federal Reserve Board supports the statements of these small retailers by saying—

Since the effect of the Truth in Lending disclosure provisions has generally been to limit minimum charges to 50 cents, there is a question whether further Federal legislation is warranted. It would appear reasonable for the creditor to be compensated for sending out an extra billing statement which would not have been necessary had the customer paid a small balance in full.

During our hearings, we received statistics showing that the actual cost of processing a single Bank Americard draft, exclusive of the cost of money, is $1.41.

Many witnesses before the committee stated that the 50-cent minimum did not fully represent the costs of sending out billing statements to individuals who left a small minimum balance in their account. Mr. President, the proponents suggest that a 50-cent minimum charge on a $10 balance is equivalent to a charge of 5 percent a month, or 60 percent a year. During our hearings one major witness suggested that it is an unlikely circumstance. In any event, the example given by the Senator loses its effectiveness when one understands that the committee has exempted from all truth-in-lending requirements discounts not in excess of 5 percent which, incidentally, would amount to 60 percent a year.

The committee carefully considered the arguments made by the Senator from Wisconsin that minimum charges would fall unduly on low-income individuals and those who can afford them least. The committee decided not to prohibit minimum charges on the basis that the elimination of minimum charges would reduce credit extended, and individuals with low-income would most likely be the ones to whom the credit would not be granted. Furthermore, at the present time finance charges, including minimum charges, are regulated by State law. States differ in their pattern of regulation. In one instance, a State may allow a lower rate of finance charge to be imposed but may allow a minimum charge. Another State may allow a higher rate of finance charge and prohibit minimum charges. Some States have specifically either restricted or prohibited minimum charges; other States have specifically authorized minimum charges. I ask unanimous consent to have printed in the RECORD a listing of minimum charges on open-end credit specifically authorized by various States.

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

MINIMUM CHARGES ON OPEN-END CREDIT AUTHORIZED BY STATE LAW

1. Alabama	$0.50
2. Alaska	1.00
3. Arizona	.50
4. California	1.00
5. Colorado	.50
6. Delaware	1.00
7. Florida	1.00
8. Georgia	1.00
9. Idaho	.50
10. Illinois	.70
11. Indiana	.50
12. Kansas	.50
13. Louisiana	.25
14. Massachusetts	.50
15. Michigan	.70
16. Minnesota	.50
17. Missouri	.70
18. Montana	.50
19. New Jersey	.50
20. New Mexico	.70
21. New York	.70
22. Ohio	1.00
23. Oklahoma	.50
24. Pennsylvania	.70
25. Rhode Island	.40
26. South Dakota	1.00
27. Tennessee	.70
28. Texas	.75
29. Utah	.50
30. Vermont	.25
31. Washington	1.00

Mr. BENNETT. If the Federal Government were to make a minimum charge illegal, it would supersede State law, would apply to all States, and would not take into consideration the differences which now exist in the States in their regulation of finance charges.

I point out to the Senator from California that his State has a $1 minimum charge. I think he probably should go back home and get that reduced to 50 cents, before he comes to us and asks us to have the other States give up all their charges.

Incidentally, of the 31 States that do have minimum charges, 16 have charges in excess of 50 cents; the others have charges of 50 cents or less.

I think this is a de minimis problem, but it would be much more serious if this amendment were adopted.

The PRESIDING OFFICER. Who yields time?

Mr. TUNNEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from California has 3 minutes remaining.

Mr. TUNNEY. The Senator from Wisconsin indicated that he desired to make a statement. He is not in the Chamber at this time. I do not see any reason why we have to prolong the agony. I yield back the remainder of my time.

Mr. BENNETT. Mr. President, do I have 4 minutes remaining?

The PRESIDING OFFICER. The Senator from Utah has 4 minutes remaining.

Mr. BENNETT. I yield to the Senator from Tennessee such time as he may require.

Mr. BROCK. Mr. President, I do not want to prolong the agony, either, but I would wonder aloud what the Senator from California seems to have against poor people today. I know that he does not intend to discriminate against those in this country who have low incomes, but that is the effect of his amendment; because what happens when we prohibit a minimum charge is that what we in effect do is prohibit an extension of credit to those who have less than moderate incomes. That is the danger in this kind of amendment. That is why, when the States have been given the opportunity to vote, 31 of 38 States have affirmatively voted to do so.

What the Senator fails to recognize is that minimum charges are prohibited now unless the States take specific, affirmative action to allow it. Truth in lending will limit that to 50 cents.

So I think that the Senator's amendment, while again of obviously good intent, is obviously of bad effect. It would diminish immeasurably the availability of credit to the very people he desires to help; namely, the lower income groups in this country.

I therefore believe that his amendment should be soundly rejected.

Mr. TUNNEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BENNETT. Mr. President, I yield back the remainder of my time.

Mr. TUNNEY. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. MONTOYA). All time has now been yielded back on the amendment.

The question is on agreeing to Amendment No. 1159 of the Senator from California (Mr. TUNNEY).

On this questions the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

On this vote, the Senator from North Carolina (Mr. ERVIN) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from North Carolina would vote "nay" and the Senator from South Dakota would vote "yea."

On this vote, the Senator from Alaska (Mr. GRAVEL) is paired with the Senator from Washington (Mr. JACKSON).

If present and voting, the Senator from Alaska would vote "yea" and the Senator from Washington would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), and the Senator from Washington (Mr. MAGNUSON) would each vote "yea."

I further announce that the Senator from Georgia (Mr. GAMBRELL) would vote "nay."

Mr. GRIFFIN. I announce that the Senators from Arizona (Mr. GOLDWATER and Mr. FANNIN) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Colorado (Mr. DOMINICK), the Senator from Ohio (Mr. SAXBE), and the Senator from Connecticut (Mr. WEICKER) are detained on official business.

Also the Senator from Colorado (Mr. ALLOTT), the Senator from Kansas (Mr. DOLE), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The Senator from Alaska (Mr.

STEVENS) is absent on official committee business.

If present and voting, the Senator from Colorado (Mr. ALLOTT), the Senator from Iowa (Mr. MILLER), and the Senator from Ohio (Mr. TAFT) would each vote "nay."

The result was announced—yeas 19, nays 47, as follows:

[No. 163 Leg.]

YEAS—19

Byrd, Harry F., Jr.	McGee	Randolph
Byrd, Robert C.	Metcalf	Ribicoff
Church	Mondale	Spong
Hartke	Montoya	Stevenson
Hughes	Moss	Symington
Kennedy	Nelson	Tunney
	Proxmire	

NAYS—47

Aiken	Cook	Long
Allen	Cooper	Mathias
Anderson	Cotton	Packwood
Baker	Cranston	Pearson
Bayh	Curtis	Pell
Beall	Eagleton	Roth
Bellmon	Ellender	Schweiker
Bennett	Fong	Smith
Bentsen	Fulbright	Stafford
Boggs	Griffin	Stennis
Brock	Gurney	Talmadge
Brooke	Hansen	Thurmond
Buckley	Hruska	Tower
Burdick	Inouye	Williams
Case	Javits	Young
Chiles	Jordan, Idaho	

NOT VOTING—34

Allott	Hart	Mundt
Bible	Hatfield	Muskie
Cannon	Hollings	Pastore
Dole	Humphrey	Percy
Dominick	Jackson	Saxbe
Eastland	Jordan, N.C.	Scott
Ervin	Magnuson	Sparkman
Fannin	Mansfield	Stevens
Gambrell	McClellan	Taft
Goldwater	McGovern	Weicker
Gravel	McIntyre	
Harris	Miller	

So Mr. TUNNEY's amendment (No. 1159) was rejected.

Mr. PROXMIRE. Mr. President, with a heavy heart I announce that for the first time I am going to vote against the Proxmire bill. I am going to vote against my own bill.

I call to the attention of the Senate two communications that I have received. One is from the Consumers' Federation of America. Their representative wrote me a note which reads as follows:

> We obviously have neither the votes to improve the bill or to stop it. Please put the Consumers' Federation of America on record as opposing S. 652 since it cannot be improved. It is not a consumer bill. Perhaps you can get through a token amendment to delete the word "fair".

I might say it is the Bank Protection Act of 1972.

The second communication is from the AFL–CIO.

It says in part as follows:

> Unless major strengthening amendments to help the consumer are adopted on the floor, this measure would make a mockery of its title.
>
> Therefore, unless strengthening amendments are adopted, we urge that you vote against S. 652.
>
> We support the concept of the original bill and we oppose the shell the committee has reported.
>
> We join in the views of Senator Proxmire, subscribed to by Senators Williams, McIntyre, Mondale, and Stevenson; and, therefore, urge you to support the strengthening amendments that will be introduced.
>
> If these fail, we urge you vote against the bill.

Mr. President, as I said before, I intend to vote against the bill.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I yield to the Senator from Utah.

ORDER FOR ADJOURNMENT TO 9:45 A.M. TOMORROW

Mr. MOSS. Mr. President, I ask unanimous consent that, when the Senate completes its business tonight, it stand in adjournment until 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS HARRY F. BYRD, JR., AND BELLMON TOMORROW

Mr. MOSS. Mr. President, I ask unanimous consent that, following the speech to be delivered tomorrow by the Senator from Utah (Mr. Moss), now speaking, that Senator HARRY F. BYRD, Jr., be recognized for not to exceed 15 minutes, to be followed by the Senator from Oklahoma (Mr. BELLMON) for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRINTING OF HOUSE JOINT RESOLUTION 748 AS PASSED TODAY

Mr. MOSS. Mr. President, I ask unanimous consent that House Joint Resolution 748 be printed as it passed the Senate earlier today with technical corrections.

The PRESIDING OFFICER. Without objection, it is so orderd.

AUTHORIZATION FOR TECHNICAL CORRECTIONS TO BE MADE IN THE ENGROSSMENT OF HOUSE JOINT RESOLUTION 748

Mr. MOSS. Mr. President, I ask unanimous consent that in the engrossment of House Joint Resolution 748, passed earlier today, the Secretary of the Senate be authorized to make the following technical corrections:

> Page 31, line 2 in S. 2219, the text of which was substituted for H.J. Res. 748, strike the word "of", before the word "training" and insert the word "or" in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRUTH IN LENDING ACT AMENDMENTS OF 1972

The Senate continued with the consideration of the bill (S. 652) to amend the Truth in Lending Act to protect consumers against careless and unfair billing practices, and for other purposes.

Mr. PROXMIRE. Mr. President, I have a series of technical amendments which I offer. They have been cleared with the distinguished Senator from Utah (Mr. BENNETT) and with the minority. They agree that these are simply technical amendments that are not substantive. I offer them and ask that they be reported.

The PRESIDING OFFICER. The clerk will report the amendments.

The assistant legislative clerk read as follows:

> On page 12, line 18, strike the word "previously" and insert ", after giving such written notice and before the expiration of the time limits herein specified,".

Mr. PROXMIRE. Section 161 requires a creditor to explain billing disputes to a consumer unless the consumer "has previously agreed that the statement was correct." The intent of the provision is to preclude the need for a formal explanation if the consumer agrees the billing statement is correct. The amendment requires that the consumer's agreement as to the correctness of the bill must occur after giving written notice of a billing dispute. This clarification is needed to prevent possible evasion by a creditor who might include a predispute waiver provision in the terms of his standard credit contract with the consumer.

The assistant legislative clerk read as follows:

> On page 12, line 7, insert after the word "stipulates" the following: "with the disclosure required under 127(b)(11)".

Mr. PROXMIRE. Section 161 requires consumers to make a written notification of a billing dispute. Such notification must be separate from the payment stub if the creditor so stipulates. The amendment clarifies the committee's intent by requiring that such stipulation must be disclosed on or with the periodic billing statement along with the creditor's disclosure of the address for receiving billing dispute notifications.

The assistant legislative clerk read as follows:

> On page 10, line 16, insert "in a form prescribed by regulations of the Board" at the end thereof.
>
> On page 10, line 19, strike ", in a form prescribed by regulations of the Board".
>
> On page 10, line 25, after the word "statement" insert ", in a form prescribed by regulations of the board,"
>
> On page 11, line 2, strike "in a form prescribed by regulations of the Board".

Mr. PROXMIRE. This amendment simply clarifies the Board's authority to regulate the format of the disclosures required by sections 104 and 105 of the act. These provisions require a creditor to provide a brief identification of each transaction appearing on a periodic billing statement and to disclose a customer's protections and the creditor's responsibilities under the act. The amendment is necessary to prevent any erroneous interpretation which would limit the Board's authority to prescribing the format of sales vouchers or the creditor's responsibilities under the act. In so doing, the amendment merely clarifies the intent of the legislation.

The assistant legislative clerk read as follows:

> On page 22, line 12, insert after the word "section" the following: "but continued failure to disclose after a recovery has been granted shall give rise to rights to additional recoveries."

Mr. PROXMIRE. Section 207 exempts a creditor from multiple liability for Truth in Lending Act violations when the same error is repeated on more than one billing statement or where a number

of separate errors occur on the same statement. The amendment clarifies the fact that a creditor would still be liable for continuing the same violation once a recovery had been obtained. Without this clarification, a creditor might be able to continue violating the law with impunity, which is clearly not the intent of the committee or the Federal Reserve Board which proposed the original language for section 207.

The assistant legislative clerk read as follows:

On page 17, line 2, add the following new sentence after "Board.": "Such regulations shall prevent a finance charge from being imposed on any obligor if the creditor has received the obligor's payment prior to the time indicated by the creditor by which such payment must be received to avoid the imposition of a finance charge."

Mr. PROXMIRE. Section 164 requires the prompt posting of payments in accordance with Federal Reserve Board regulations. The amendment makes explicit the intent of the committee that no consumer be assessed a finance charge if his payment is received by the creditor prior to the due date. This intent was clearly indicated in the transcript of the committee's executive session although the committee report fails to make reference to this intent. Accordingly, a clarifying amendment is needed to assure that the committee's intent is realized.

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

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

Mr. BENNETT. Mr. President, I have sent to the desk four amendments which have been discussed with the manager of the bill. I am not sure that we can call them completely technical. However, they are necessary to the successful operation of the law under the bill. I ask unanimous consent that the amendments may be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk read as follows:

On page 27, delete all after the word "period" on line 3 through the word "period" on line 4. Delete all after the word "period" on line 12 through the word "period" on line 13.

UNDISCLOSED GRACE PERIOD FOR CONSUMERS

Mr. BENNETT. Mr. President, I send to the desk a technical amendment which would amend section 210 of the committee bill to allow an undisclosed grace period without the imposition of a finance charge beyond the opening date of the next billing period. Section 210 permits open-end creditors to indicate that payment by a certain date must be made to avoid a finance charge without disclosing that no finance charge will actually be imposed if the payment is received after such date but before the opening of the next billing period. This was provided by the committee because in most instances it requires a day or two after receipt of a bill to post it on an account, and some creditors had established a grace period of this type in order to avoid imposing a finance charge on consumers who sent their bills on the final day of the billing period. It has come to my attention since approval of this provision that some creditors who operate on a 30-day cycle cannot take advantage of this undisclosed grace period but would like to provide such a grace period if the committee bill were amended to allow them to do so. Some retailers give customers several days of grace beyond the 30 days to allow for delays in the mail, delays in getting their own mail processed, and to compensate for holidays which would reduce the number of work days during the billing cycle. In these cases, customers may get as much as 35 days to pay their account without incurring a finance charge, and this certainly operates to their benefit. However, under the present language of S. 652, the retailer could not give this undisclosed grace period because the language provides that the grace period may not extend beyond the opening date of the next billing period.

In effect, if a creditor wants to give the customer several days of free credit to compensate for mail delays and so forth, he should be permitted to do this and for those creditors on a 30-day billing cycle, this can only be done by permitting the grace period to extend for several days beyond the end of the billing cycle. If we are going to give those creditors who have a 25-day billing cycle a 5-day grace period, as stated in the report, then we ought to permit those creditors who have a 30-day billing cycle to allow a comparable grace period. This would require a language change.

In short—a grace period is equitable and it is the customer who gains. I suggest that the grace period be permitted for customers who are on a 30-day cycle as well as those on a 25-day cycle. This can be done by permitting the grace period to extend beyond the closing date of the billing period.

My amendment would accomplish this purpose by deleting all after the word "period" on page 27, line 3, through the word "period" on line 4, and all after the word "period" on line 12 through the word "period" on line 13.

The assistant legislative clerk read as follows:

On page 24, line 10, delete the words "this section" and insert "sections 206, 207, and 208".

GOOD-FAITH COMPLIANCE AND LIABILITY FOR MULTIPLE DISCLOSURES

Mr. BENNETT. Mr. President, section 208 of the committee bill sets up new standards limiting class action liability. These standards are applicable in determining the liability of any person unless prior to the date of enactment of this act such liability has been determined by final judgment of a court of competent jurisdiction and the time for appeal from such judgment has expired.

The amendment which I recommend would make sections 206, providing for good-faith compliance, and 207, dealing with liability for multiple disclosures, applicable on the same terms. Sections 206 and 207 were recommended by the Federal Reserve Board to correct uncertainties in existing law. In its recommendations the Federal Reserve Board said:

Furthermore, the Act's civil liability section does not necessarily preclude liability when a creditor has acted in good faith in conformity with Regulation Z. The Board recommends that the Act be amended to provide for a "good faith" provision, such as contained in the Securities and Exchange Act of 1934, which would apply to both the Board's Regulation Z and formal interpretations of it.

The committee did this in section 206 of our bill. The Federal Reserve Board also stated in its recommendations:

There is some uncertainty as to the meaning of "transaction" when applying section 130 to a possible error on a periodic statement used in connection with an open end account. It might be contended that each separate purchase for which a credit card is used constitutes a "transaction" for purposes of section 130, or that each periodic statement is a transaction. More likely the opening and use of the account is a single transaction. The Board believes that Congress should clarify the very important meaning of "transaction" in section 130.

The committee embodied this recommendation in our bill in section 207. Both sections 206 and 207 of our bill apply to and amend section 130 in the Truth in Lending Act, just as does section 208 which applies to all pending cases which have not been finally determined. It is only appropriate that the clarifications provided in these two sections also be used in determining liability of such cases.

The assistant legislative clerk read as follows:

On page 18, line 10, insert after the word "transaction" the following: "under the relevant credit card plan".

LIMITATION OF OFFSET PROHIBITION

Mr. BENNETT. Mr. President, section 168 of this bill states that a credit card issuer may not offset a cardholder's indebtedness arising in connection with a consumer credit transaction against funds of the cardholder held on deposit with a card issuer unless first, such action was previously authorized in writing by the cardholder, and second, such action with respect to any disputed amount will be rescinded by the card issuer upon request of the cardholder made within 10 days after such action is taken.

The purpose of this provision in the law was to assure that no card issuer could take such action against an indebtedness arising under the relevant credit card plan.

I send to the desk a technical amendment which would make it clear that the prohibition against offsets applies to credit transactions under the relevant credit card plan only. This would be accomplished by inserting after the word "transaction" on page 18, line 10, the following: "under the relevant credit card plan". If the prohibition is more broadly interpreted since it applies only to card issuers, it could have the effect of discouraging the issuance of credit cards since any card issuer could be prohibited from offsetting indebtedness arising from transactions not connected with the credit card. No such prohibition would exist for the same type of in-

debtedness if the creditor was not a card issuer. The intent of the committee was not to prohibit offsets against all consumer credit transactions of credit card issuers because they issue credit cards, but to protect the credit cardholder from offsets to satisfy credit card debt in the event there is a dispute over the amount of the debt.

This amendment would clarify the intent of the committee and would make it clear that the committee proposal is not intended to discourage the issuance of credit cards.

The assistant legislative clerk read as follows:

On page 11, strike lines 5 through 8 and insert the following:

(b) Section 127 (c) of the Truth in Lending Act (15 U.S.C. 1637 (c)) is amended to read:

"(c) In the case of any existing account under an open-end consumer credit plan having an outstanding balance of more than one dollar at or after the close of the creditor's first full billing cycle under the plan after the effective date of subsection (a) or any amendments thereto, the items described in subsection (a), to the extent applicable and not previously disclosed, shall be disclosed in a notice mailed or delivered to the obligor not later than the time of mailing the periodic billing statement required by subsection (b)".

NOTIFICATION OF PRESENT ACCOUNTS

Mr. BENNETT. Mr. President, section 105 (b) requires the notification of all present accounts of the protection provided by this bill and the creditor's responsibilities. I send to the desk an amendment that would require such notification only for active accounts. Since the present bill is intended to cover all creditors and a creditor is defined as one who arranges or grants credit, even if there is no finance charge, it may cover all doctors, dentists, attorneys, and small stores which do not consider themselves to be offering credit. It would be desirable to limit the obligation of creditors to report only to active accounts. Otherwise, apparently, a doctor would be required to notify all of his present and past patients, as would the dentist, the attorney, and others. This would be an expensive exercise and unnecessary unless at the time there is a debtor-creditor relationship with a balance owing. The amendment would require that inactive accounts be given the information when they became active and at least twice a year thereafter.

The amendment is as follows:

On page 11, strike lines 5 through 8 and insert the following:

(b) Section 127 (c) of the Truth in Lending Act (15 U.S.C. 1637 (c)) is amended to read:

"(c) In the case of any existing account under an open-end consumer credit plan having an outstanding balance of more than one dollar at or after the close of the creditor's first full billing cycle under the plan after the effective date of subsection (a) or any amendments thereto, the items described in subsection (a), to the extent applicable and not previously disclosed, shall be disclosed in a notice mailed or delivered to the obligor not later than the time of mailing the periodic billing statement required by subsection (b)".

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Utah en bloc.

The amendments were agreed to.

Mr. PROXMIRE. Mr. President, I yield to the Senator from New Jersey.

ORDER FOR STAR PRINT OF S. 2318

Mr. WILLIAMS. Mr. President, on July 20, 1971, I introduced S. 2318, a bill to amend the Longshoremen's and Harbor Workers' Compensation Act and for other purposes. Subsequent to the introduction of this bill, several technical errors were discovered in the text as printed. In order to rectify these errors, I ask unanimous consent that a star print of S. 2318, as corrected, be made and that the names of the cosponsors added since the introduction be included in the printing. I also ask unanimous consent to have the Senator from Illinois (Mr. STEVENSON) added as a cosponsor and included in the printing.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRUTH IN LENDING ACT AMENDMENTS OF 1972

The Senate continued with the consideration of the bill (S. 652) to amend the Truth in Lending Act to protect consumers against careless and unfair billing practices, and for other purposes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any technical or necessary changes in the engrossment of the bill, S. 652.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment 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.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Nevada (Mr. BIBLE), the Senator from Nevada (Mr. CANNON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Washington (Mr. MAGNUSON), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I also announce that the Senator from Montana (Mr. MANSFIELD) is absent on official business.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from North Carolina (Mr. ERVIN), the Senator from Alaska (Mr. GRAVEL), the Senator from Washington (Mr. JACKSON), the Senator from North Carolina (Mr. JORDAN), the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Georgia (Mr. GAMBRELL) would each vote "yea."

On this vote, the Senator from South Carolina (Mr. HOLLINGS) is paired with the Senator from South Dakota (Mr. MCGOVERN).

If present and voting, the Senator from South Carolina would vote "yea" and the Senator from South Dakota would vote "nay."

Mr. GRIFFIN. I announce that the Senators from Arizona (Mr. GOLDWATER and Mr. FANNIN) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

The Senator from Pennsylvania (Mr. SCOTT) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Ohio (Mr. SAXBE) and the Senator from Connecticut (Mr. WEICKER) are detained on official business.

If present and voting, the Senator from Colorado (Mr. ALLOTT), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. MILLER), and the Senator from Ohio (Mr. TAFT) would each vote "yea."

Also, the Senator from Colorado (Mr. ALLOTT), the Senator from Kansas (Mr. DOLE), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The Senator from Alaska (Mr. STEVENS) is absent on official committee business.

The result was announced—yeas 51, nays 15, as follows:

[No. 164 Leg.]

YEAS—51

Aiken	Cooper	McGee
Allen	Cotton	Moss
Anderson	Cranston	Nelson
Baker	Curtis	Packwood
Bayh	Dominick	Pearson
Beall	Eagleton	Roth
Bellmon	Ellender	Schweiker
Bennett	Fong	Smith
Bentsen	Fulbright	Spong
Boggs	Griffin	Stafford
Brock	Gurney	Stennis
Buckley	Hansen	Stevenson
Burdick	Hartke	Talmadge
Byrd, Harry F., Jr.	Hruska	Thurmond
Chiles	Javits	Tower
Church	Jordan, Idaho	Young
Cook	Long	
	Mathias	

NAYS—15

Brooke	Metcalf	Randolph
Byrd, Robert C.	Mondale	Ribicoff
Case	Montoya	Symington
Hughes	Pell	Tunney
Kennedy	Proxmire	Williams

NOT VOTING—34

Allott	Hatfield	Mundt
Bible	Hollings	Muskie
Cannon	Humphrey	Pastore
Dole	Inouye	Percy
Eastland	Jackson	Saxbe
Ervin	Jordan, N.C.	Scott
Fannin	Magnuson	Sparkman
Gambrell	Mansfield	Stevens
Goldwater	McClellan	Taft
Gravel	McGovern	Weicker
Harris	McIntyre	
Hart	Miller	

So the bill (S. 652) was passed, as follows:

S. 652

An act to amend the Truth in Lending Act to protect consumers against inaccurate and unfair billing practices, 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 "Truth in Lending Act Amendments of 1972".

TITLE I—FAIR CREDIT BILLING

] 101. Short title

The title may be cited as the "Fair Credit Billing Act".

§ 102. Declaration of purpose

The last sentence of section 102 of the Truth in Lending Act (15 U.S.C. 1601) is amended by striking out the period and inserting in lieu thereof a comma and the following: "and to protect the consumer against inaccurate and unfair credit billing and credit card practices."

§ 103. Definition of creditor

Section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended by adding at the end thereof the following: "Notwithstanding the foregoing, for the purposes of the requirements imposed under sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(1), 127(b)(2), 127(b)(3), 127(b)(11), and chapter 4 of this title, the term 'creditor' means any person who regularly extends credit or arranges for the extension of credit in connection with loans, sales of property or services, or otherwise."

§ 104. Identification of transaction

Section 127(b)(2) of the Truth in Lending Act (15 U.S.C. 1638(b)(2) is amended to read as follows:

"(2) The amount and date of each extension of credit during the period and a brief identification on or accompanying the statement of each extension of credit in a form prescribed by regulations of the Board sufficient to enable the obligor to identify the transaction, or relate it to copies of sales vouchers or similar instruments previously furnished."

§ 105. Disclosure of fair credit billing rights

(a) Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end thereof a new paragraph as follows:

"(8) A statement, in a form prescribed by regulations of the Board, of the protection provided by section 161 to an obligor and the creditor's responsibilities under section 162. Such statement shall be provided to the obligor at least semiannually."

(b) Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended to read:

"(c) In the case of any existing account under an open-end consumer credit plan having an outstanding balance of more than one dollar at or after the close of the creditor's first full billing cycle under the plan after the effective date of subsection (a) or any amendments thereto, the items described in subsection (a), to the extent applicable and not previously disclosed, shall be disclosed in a notice mailed or delivered to the obligor not later than the time of mailing the periodic billing statement required by subsection (b)."

§ 106. Disclosure of billing contact

Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end thereof a new paragraph as follows:

"(11) The address to be used by the creditor for the purpose of receiving billing inquiries from the obligor."

§ 107. Billing practices

The Truth in Lending Act (15 U.S.C. 1601-1665) is amended by adding at the end thereof a new chapter as follows:

"CHAPTER 4—CREDIT BILLING

"Sec.
"161. Correction of billing errors.
"162. Regulation of credit reports.
"163. Length of billing period.
"164. Prompt crediting of payments.
"165. Crediting excess payments.
"166. Use of cash discounts.
"167. Prohibition of tie-in services.
"168. Prohibition of offsets.
"169. Relation to State laws.
"170. Rights of credit card customers.

"§161. Correction of billing errors

"(a) If a creditor, within sixty days after having transmitted to an obligor a statement of the obligor's account in connection with an extension of consumer credit, receives at the address disclosed under section 127(b)(11) a written notice (other than notice on a payment stub or other payment medium supplied by the creditor if the creditor so stipulates with the disclosure required under section 127(b)(11)) from the obligor in which the obligor—

"(1) sets forth or otherwise enables the creditor to identify the name and account number (if any) of the obligor,

"(2) indicates the obligor's belief that the statement contains a billing error and the amount of such billing errors, and

"(3) sets forth the reasons for the obligor's belief (to the extent applicable) that the statement contains a billing error,

the creditor shall, unless the obligor has, after giving such written notice and before the expiration of the time limits herein specified, agreed that the statement was correct—

"(A) not later than thirty days after receipt of the notice, send a written acknowledgment thereof to the obligor, unless the action required in subparagraph (B) is taken within such thirty-day period, and

"(B) not later than two complete billing cycles of the creditor (in no event later than ninety days) after the receipt of the notice and prior to taking any action to collect the amount, or any part thereof, indicated by the obligor under paragraph (2) either—

"(i) make appropriate corrections in the account of the obligor, including the crediting of any finance charges on amounts erroneously billed, and transmit to the obligor a notification of such corrections and the creditor's explanation of any change in the amount indicated by the obligor under paragraph (2) and, if any such change is made and the obligor so requests, copies of documentary evidence of the obligor's indebtedness; or

"(ii) send a written explanation or clarification to the obligor, after having conducted an investigation, setting forth to the extent applicable the reasons why the creditor believes the account of the obligor was correctly shown in the statement and, upon request of the obligor, provide copies of documentary evidence of the obligor's indebtedness.

"(b) or the purpose of this section, a 'billing error' consists of any of the following:

"(1) A reflection on a statement of an extension of credit which was not made to the obligor or, if made, was not in the amount reflected on such statement.

"(2) A reflection on a statement of an extension of credit for which the obligor requests additional clarification including documentary evidence thereof.

"(3) A reflection on a statement of goods or services not accepted by the obligor or his designee or not delivered to the obligor or his designee in accordance with the agreement made at the time of a transaction.

"(4) The creditor's failure to reflect properly on a statement a payment made by the obligor or a credit issued to the obligor.

"(5) A computation error or similar error of an accounting nature of the creditor on a statement.

"(6) Any other error described in regulations of the Board.

"(c) For the purpose of this section, 'action to collect the amount, or any part thereof, indicated by an obligor under paragraph (2)' does not include the sending of statements of account to the obligor following written notice from the obligor as specified under subsection (a), if—

"(1) the obligor's account is not restricted or closed because of the failure of the obligor to pay the amount indicated under paragraph (2) of subsection (a), and

"(2) the creditor indicates the payment of such amount is not required pending the creditor's compliance with section 161.

Nothing in this section shall be construed to prohibit any action by a creditor to collect any amount which has not been indicated by the obligor to contain a billing error.

"(d) Any creditor who fails to comply with the requirements of subsection (a) forfeits any right to collect from the obligor the amount indicated by the obligor under paragraph (2) of subsection (a), and any finance charges thereon, except that the amount required to be forfeited under this subsection may not exceed $50.

"§ 162. Regulation of credit reports

"(a) After receiving a notice from an obligor as provided in section 161(a), a creditor or his agent may not directly or indirectly threaten to report to any person adversely on the obligor's credit rating or credit standing because of the obligor's failure to pay the amount indicated by the obligor under section 161(a)(2), and such amount may not be reported as delinquent to any third party until the creditor has met the requirements of section 161 and has allowed the obligor the same number of days (not less than ten) thereafter to make payment as is provided under the credit agreement with the obligor for the payment of undisputed amounts.

"(b) If a creditor receives a further written notice from an obligor that an amount is still in dispute within the time allowed for payment under subsection (a) of this section, a creditor may not report to any third party that the account of the obligor is delinquent solely because the obligor has failed to pay an amount which he has indicated under section 161(a)(2), unless the creditor also reports that the account is in dispute and, at the same time, notifies the obligor of the name and address of each party to whom the creditor is reporting information concerning the delinquency.

"(c) A creditor shall report any subsequent resolution of any delinquencies reported pursuant to subsection (b) to the parties to whom such delinquencies were initially reported.

"§ 163. Length of billing period

"If an open-end consumer credit plan provides a time period within which an obligor may repay any portion of the credit extended without incurring an additional finance charge, such additional finance charge may not be imposed with respect to such portion of the credit extended for the billing cycle of which such period is a part unless a state-

ment which includes the amount upon which the finance charge for that period is based was mailed at least fourteen days prior to the date specified in the statement by which payment must be made in order to avoid imposition of that finance charge.

"§ 164. Prompt crediting of payments

"Payments received from an obligor under an open-end consumer credit plan by the creditor shall be posted promptly to the obligor's account as specified in regulations of the Board. Such regulations shall prevent a finance charge from being imposed on any obligor if the creditor has received the obligor's payment prior to the time indicated by the creditor by which such payment must be received to avoid the imposition of a finance charge.

"§ 165. Crediting excess payments

"Whenever an obligor transmits funds to a creditor in excess of the total balance due on an open-end consumer credit account, the creditor shall promptly (1) upon request of the obligor refund the amount of the overpayment, or (2) credit such amount to the obligor's account.

"§ 166. Use of cash discounts

"(a) With respect to a credit card which may be used for extensions of credit in sales transactions in which the seller is a person other than the card issuer, the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check, or similar means rather than use a credit card.

"(b) With respect to any sales transaction, any discount not in excess of 5 per centum offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card shall not constitute a finance charge as determined under section 106, if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board.

"§ 167. Prohibition of tie-in services

"Notwithstanding any agreement to the contrary, no card issuer shall require a seller, as a condition to participating in a credit card plan, to open an account with or procure any other service from the card issuer or its subsidiary or agent.

"§ 168. Prohibition of offsets

"(a) A credit card issuer may not take any action to offset a cardholder's indebtedness arising in connection with a consumer credit transaction under the relevant credit card plan against funds of the cardholder held on deposit with the card issuer unless—

"(1) such action was previously authorized in writing by the cardholder, and

"(2) such action with respect to any disputed amount will be rescinded by the card issuer upon request of the cardholder made within ten days after such action is taken. In the case of any credit card account in existence on the effective date of this section, the previous written authorization referred to in clause (1) shall not be required until the date (after such effective date) when such account is renewed, but in no case later than one year after such effective date.

"(b) This section does not alter or affect the right under State law of a card issuer to attach or otherwise levy upon funds of a cardholder held on deposit with the card issuer if that remedy is constitutionally available to creditors generally.

"§ 169. Relation to State laws

"This chapter does not annul, alter, affect, or exempt any person subject to the provisions of this chapter from complying with the laws of any State with respect to credit billing practices, except to the extent that those laws are inconsistent with any provision of this chapter, and then only to the extent of the inconsistency. No State law which provides greater protection for consumers than the protection provided by this law shall be preempted by this law to the extent of the greater protection.

"§ 170. Rights of credit card customers

"With respect to any sales transactions where a credit card has been used to obtain credit, where the seller is a person other than the card issuer, and where the seller accepts or allows a return of the goods or forgiveness of a debt for services which were the subject of such sale, the seller shall, unless otherwise requested by the buyer, promptly transmit to the credit card issuer a credit statement with respect thereto and the credit card issuer shall credit the account of the obligor for the amount of the transaction."

§ 108. Conforming amendments

(a) The table of chapters of the Truth in Lending Act is amended by adding immediately under item 3 the following:

"4. CREDIT BILLING ..... 161".

(b) Section 111(d) of such Act (15 U.S.C. 1610(d)) is amended by striking out "and 130" and inserting in lieu thereof a comma and the following: "130, 166, 167, and 168".

§ 109. Effective date

This title takes effect upon the expiration of one year after the date of its enactment.

TITLE II—AMENDMENTS TO THE TRUTH IN LENDING ACT

§ 201. More-than-four-installment rule

The first sentence of section 103(f) of the Truth in Lending Act (15 U.S.C. 1602(f)) is amended by inserting "which is payable by agreement in more than four installments or" after "credit".

§ 202. Agricultural credit exemption

Section 104 of the Truth in Lending Act (15 U.S.C. 1603) is amended by adding at the end thereof a new paragraph as follows:

"(5) Credit transactions for agricultural purposes in which the total amount to be financed exceeds $25,000."

§ 203. Enforcement by Farm Credit Administration

Section 108(a) of the Truth in Lending Act (15 U.S.C. 1607(a)) is amended by adding at the end thereof a new paragraph as follows:

"(7) the Farm Credit Act of 1971, by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, association, Federal intermediate credit bank, or production credit association."

§ 204. Liens arising by operation of State law

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended—

(1) by striking out "is" the first time it appears in the first sentence of subsection (a) and inserting in lieu thereof ", including any such interest arising by operation of law, is or will be"; and

(2) by inserting after "obligor" the second time it appears in the first sentence of subsection (b) the following: ", including any such interest arising by operation of law,".

§ 205. Time limit for right of rescission

Section 125 of the Truth in Lending Act (15 U.S.C. 1635) is amended by adding at the end thereof a new subsection as follows:

"(f) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property by the obligor, whichever occurs earlier, notwithstanding the fact that the disclosures required under this section or any other material disclosures required under this chapter have not been delivered to the customer."

§206. Good faith compliance

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(f) No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, in conformity with any interpretation issued by any other agency designated in section 108 unless such interpretation has, prior to the time such act was done or omitted, been determined by the Board to be inconsistent with the Board's rules, regulations, or interpretations, notwithstanding that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason."

§ 207. Liability for multiple disclosures

Section 130 of the Truth in Lending Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(g) The multiple failure to disclose to any person any information required under this chapter to be disclosed in connection with a single account under an open-end consumer credit plan, other single consumer credit sale, consumer loan, or other extension of consumer credit, shall entitle the person to a single recovery under this section, but continued failure to disclose after a recovery has been granted shall give rise to rights to additional recoveries."

§ 208. Limitation on class action liability

(a) Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended to read as follows:

"(a) Except as otherwise provided in this section, any creditor who fails to comply with any requirement imposed under this chapter or chapter 4 of this title (other than section 161) with respect to any person is liable to such person in an amount equal to the sum of—

"(1) any actual damages sustained by such person as a result of the failure;

"(2) such additional amount as the court may allow, except that the total awarded shall (A) be not less than $100 in the case of an individual action, or (B) in the case of a class action, not more than $100,000; and

"(3) in the case of any successful action to enforce the foregoing liability, the costs of the action, together with a reasonable attorney's fee which shall be the reasonable value of the services rendered by the attorney without regard to the amount of any recovery.

In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional."

(b) Section 130(b) of such Act (15 U.S.C. 1640(b)) is amended by inserting after "this section" the first place it appears the following: "for any failure to comply with any requirement imposed under this chapter,".

(c) Section 130(c) of such Act (15 U.S.C. 1640(c)) is amended by striking out "chapter" and inserting in lieu thereof "title".

(d) Section 130 of such Act (15 U.S.C. 1640) is amended by adding at the end thereof a new subsection as follows:

"(h) A person may not take any action to offset any amount for which a creditor is potentially liable to such person under subsection (a)(2) against any amount owing to such creditor by such person, unless the amount of the creditor's liability to such person has been determined by judgment of a court of competent jurisdiction in an action to which such person was a party."

(e) The amendments made by sections 206, 207, and 208 shall apply in determining the liability of any person under chapter 2 or 4 of the Truth in Lending Act, unless prior to the date of enactment of this Act such liability has been determined by final judgment of a court of competent jurisdiction and no further review of such judgment may be had by appeal or otherwise.

§ 209. Credit card fraud

Section 134 of the Truth in Lending Act (15 U.S.C. 1644) is amended to read as follows:

"§ 134. Fraudulent use of credit card

"(a) Whoever knowingly in a transaction affecting interstate or foreign commerce, uses or attempts or conspires to use any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card to obtain money, goods, services, or anything else of value which within any one-year period has a value aggregating $1,000 or more; or

"(b) Whoever, with unlawful or fraudulent intent, transports or attempts or conspires to transport in interstate or foreign commerce a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

"(c) Whoever, with unlawful or fraudulent intent, uses any instrumentality of interstate or foreign commerce to sell or transport a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained; or

"(d) Whoever knowingly receives, conceals, uses, or transports, money, goods, services, or anything else of value (except tickets for interstate or foreign transportation) which (1) within any one-year period has a value aggregating $1,000 or more, (2) has moved in or is part of, or which constitutes interstate or foreign commerce, and (3) has been obtained with a counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card; or

"(e) Whoever knowlingly receives, conceals, uses, sells, or transports in interstate or foreign commerce one or more tickets for interstate or foreign transportation, which (1) within any one-year period have a value aggregating $500 or more, and (2) have been purchased or obtained with one or more counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit cards; or

"(f) Whoever in a transaction affecting interstate or foreign commerce furnishes money, property, services, or anything else of value, which within any one-year period has a value aggregating $1,000 or more, through the use of any counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained credit card knowing the same to be counterfeit, fictitious, altered, forged, lost, stolen, or fraudulently obtained—

shall be fined not more than $10,000 or imprisoned not more than ten years, or both."

§ 210. Grace period for consumers

(1) by amending subsection (a)(1) to read as follows:

"(1) The conditions under which a finance charge may be imposed, including the time period (if any) within which any credit extended may be repaid without incurring a finance charge, except that the creditor may, at his election and without disclosure, impose no such finance charge if payment is received after the termination of such time period."; and

(2) by amending subsection (b)(10) to read as follows:

"(10) The date by which or the period (if any) within which, payment must be made to avoid additional finance charges, except that the creditor may, at his election and without disclosure, impose no such additional finance charge if payment is received after such date or the termination of such period."

§ 211. Effective date

This title takes effect upon the date of its enactment.

Mr. GRIFFIN. Mr. President, on behalf of the Senator from Texas (Mr. TOWER), I move to reconsider the vote by which the bill was passed.

Mr. MATHIAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I just would like——

The PRESIDING OFFICER. Without objection, the title will be appropriately amended——

Mr. PROXMIRE. Mr. President, if the title is to be appropriately amended, I just think it should be amended to the "Bank Protection Act of 1972"; but I am not seriously suggesting that.

The title was amended, so as to read: "A bill to amend the Truth in Lending Act to protect consumers against inaccurate and unfair billing practices, and for other purposes."

Mr. PROXMIRE. Mr. President, I would like to point out to the Senate that perhaps for the first time in the history of the Senate there are three sponsors of this legislation, the Senator from New Jersey (Mr. WILLIAMS), the Senator from Massachusetts (Mr. BROOKE), and I—all three of us—who voted "No." We all voted against this legislation. So it seems those who worked hard on the bill and know a great deal about it opposed it. So I hope the House, when it considers this legislation, will do so with great caution and care.

"BRAD"

Mr. MATHIAS. Mr. President, FRANK BRADFORD MORSE, Member of the other body from the Fifth District of Massachusetts, more familiarly and fondly known to so many as, simply, "BRAD," leaves us this week to go to another community and another calling, to succeed the late and so respected Ralph Bunche as Under Secretary General of the United Nations.

We say goodby to BRAD with very mixed feelings indeed—of selfish regret that he is leaving our company and that we are losing his but, equally, of glowing pride in the new and richly deserved recognition and distinction that are now his. Seldom has a man been better prepared and qualified for such purpose and position and few will be more sorely missed by his constitutents, the Congress and his multitude of friends in Washington.

In my own lifetime, I have known few men so well equipped for notable public service as BRAD MORSE. From the time of his birth in Lowell, Mass., to this day, his preparation has been thorough and his sense of duty clear. A graduate of the Lowell public schools and of Boston University, he served first, following infantry duty in World War II, as a promising attorney-at-law, as law clerk to the chief justice of the Supreme Judicial Court of Massachusetts, and as a distinguished and stimulating member of the faculty of the Boston University Law School.

Then, as a member of the Lowell City Council, his projection into critical affairs of his community and his Nation began. He was called to Washington in due course by Senator Leverett Saltonstall, whom he served as a counsel to the Senate Armed Services Committee and as the Senator's executive secretary and chief assistant. With his eventual appointment by President Eisenhower as Deputy Administrator of Veterans' Affairs, his talents as lawyer, administrative expert and diplomat came to full flower.

A man who is chosen to succeed a popular, distinguished, and famous predecessor finds himself in the position of the son of a famous father with very large shoes to fill. That was BRAD MORSE's situation when he was elected to Congress to succeed Edith Nourse Rogers who had unexpected died in 1960. He responded to this challenge by dedicating himself, heart and soul, to the well-being of the people of his district and of the Nation. Rarely has a congressional district been so superbly served as by Edith Nourse Rogers and BRAD MORSE. Its citizens should, and do, feel themselves fortunate, indeed blessed, by public service of such high caliber.

In his more than a decade of dedication and duty in the Congress, BRAD MORSE has been in the forefront of the battle for enlightened legislation in the national interests, and, particularly as a prominent member of the House Foreign Affairs Committee, his foresight and farsightedness as to problems of international consequence have been without equal.

His respect and deep concern for the United Nations have won praise at home and abroad—and, to be sure, occasional criticism, from which he has never quailed. His belief that "a strong United Nations is an essential element in the creation of a just and peaceful world" has been deep-rooted and unshakable and his determination that we not reduce our contributions of men, minds, and money to the United Nations has been outstanding.

He has been a recognized leader in the continuing struggle for equal rights for all Americans. To him distinctions of color, of class, of creed have been intolerable and the proof of his devotion to equality of opportunity has been apparent not alone in his legislative initiatives but in his every personal relationship.

An illustration of this was a trip we took together to Selma, Ala., at the time that Dr. Martin Luther King was being held in jail there. I saw with my own eyes the expression of his concern and his compassion not only for Dr. King who was already famous but for the thousands of other people who were seeking at Selma to explain their position to a strangely hostile world.

He has led the fight for draft reform, characterizing the present system as outdated, ineffective and inequitable and pressing, with visible success, for the creation of an all-Volunteer Army.

He has supported the passage of every one of the 27 major authorizations for

educational advancement made during his years in Congress, knowing so well that teaching the young idea to think is infinitely more desirable than teaching it to shoot.

I can recall vividly the leadership he exercised in July of 1967 when a group of nine Members of the House of Representatives, including both of us, proposed one of the first plans to disengage the United States from the war in Vietnam. It was implicit in this plan that the U.S. participation in this war was no longer a policy which should be pursued in the best interest of the American people and BRAD MORSE was not only one of the first Americans to see what is so generally recognized today but he was in the still smaller group of Americans who had the courage to say so in the early days of 1967.

Long before concern for our environment became a popular issue, BRAD MORSE was working hard for more feasible and efficient solutions. A dozen years ago he called for establishment of a pollution-control laboratory on the Merrimack River in Massachusetts and has been unremitting in his insistence upon protection of all our natural assets and resources ever since.

And nowhere, at no time, has he been more energetic and persuasive than in his support of America's elderly, who, in their agonizing economic plight and, too often, frightening loneliness, have found all too few such champions.

But the true measure of a man can never be taken alone by a recital of his professional record and public accomplishment. It can be seen and known, perhaps far better, by assessment of his personal, his human qualities as observed and felt by those who work and live with him throughout each passing day. And it is from just such an awareness that we hold BRAD MORSE in such affectionate esteem.

His high intelligence, his undoubted courage, his proven competence, his incurable optimism—all these have won our warm and enduring regard. But, even beyond these, we have valued him for, and felt ourselves blessed by, his sense of what it means to be, and to have, a friend.

I suspect that there are few, if any, Members of the Senate or of the House who would not agree that a friend—defined as "one who thinks of you"—is what each of us has had in BRAD and whom we have in turn been privileged so to name. He has been unfailingly responsive to us as individuals, in time of distress or, more often, when we felt the need for honesty and sympathy. And he has rarely, if ever, failed to provide these, with wisdom and good cheer.

In a time and in a profession when it is all too easy to label a public man as "liberal" or "conservative," as "leftist" or "reactionary," the opportunity to identify a public servant as none of these but, rather, as concerned and competent, is a rare one indeed. Such a person is BRAD MORSE; so he has been in the Congress; so he surely will be in the global company of the United Nations.

From a Lowell of Massachusetts there came some years ago a poetic identification of just this. I think you'll remember:

"New occasions teach new duties; Time makes ancient good uncouth;
They must upward still, and onward, who would keep abreast of Truth.
Lo, before us gleam her campfires; we ourselves must pilgrims be;
Nor attempt the Future's portal with the Past's blood-rusted key."

BRAD MORSE, as student, veteran, attorney-at-law, teacher, administrator, legislator, public servant, and friend, has been unflagging in his pursuit of the possible dream.

The best of good luck, BRAD!

God bless you.

ADDITIONAL COSPONSORS OF BILLS

Mr. MOSS. Mr. President, on behalf of the Senator from Maine (Mr. MUSKIE), I ask unanimous consent that the Senator from Maryland (Mr. MATHIAS) be added as a cosponsor of S. 3140, the Intergovernmental Cooperation Act of 1972, and S. 3063, a bill to amend the Internal Revenue Code to permit tax-exempt organizations to engage in communictaions with legislative bodies; and that the Senator from Ohio (Mr. SAXBE) be added as a cosponsor of S. 3142, a bill to provide $85 million for assistance to Soviet Jewish refugees in Israel.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANNOUNCEMENT OF JOINT HEARINGS ON FEEDING PROGRAMS FOR MIGRANT CHILDREN

Mr. STEVENSON. Mr. President, as chairman of the Migratory Labor Subcommittee, I announce that hearings will be conducted jointly with the Select Committee on Nutrition and Human Needs, on Monday, May 1, 1972, 10 a.m., in room 6228 of the New Senate Office Building.

Testimony will be presented on the effectiveness of Federal food and nutrition programs in meeting the needs of migrant and seasonal farmworkers' children. Mr. Marvin Levin, until recently a food program specialist with the Child Nutrition Division of the Department of Agriculture, will testify. Representatives of farmworker organizations, representatives of the administration, and other parties interested in food programs for children will be invited to testify at subsequent hearings.

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL MONDAY, MAY 1, 1972, AT 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until 10 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND TO LAY BEFORE THE SENATE THE UNFINISHED BUSINESS ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, immediately following the remarks of the two assistant leaders under the standing order, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes, at the conclusion of which time the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN RELATIONS AUTHORIZATION ACT OF 1972

Mr. ROBERT C. BYRD. Mr. President, for the purpose now of making it the pending business, with the understanding that there will be no votes thereon tomorrow, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 724, S. 3526.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (S. 3526) to provide authorizations for certain agencies conducting the foreign relations of the United States 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.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, at the conclusion of routine morning business, and when the Chair lays before the Senate the unfinished business, an amendment by the able Senator from Wyoming (Mr. MCGEE)—which provides for the full restoration of the authorization for the USIA—be made the pending question; that there be a limitation of time on that amendment of not to exceed 4 hours, the time to be equally divided between and controlled by the distinguished author of the amendment (Mr. MCGEE) and the distinguished manager of the bill (Mr. FULBRIGHT); provided further, that no amendments to the McGee amendment be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR PERIOD OF TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND LAYING BEFORE SENATE THE UNFINISHED BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, following the expiration of the various unanimous-consent orders recognizing Senators, there be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes, at the conclusion of which the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE FOREIGN SALE OF CERTAIN PASSENGER VESSELS—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, having discussed these matters with the distinguished assistant Republican leader and with other Senators, I ask unanimous consent that at such time as Calendar No. 728, H.R. 11589, to authorize the foreign sale of certain passenger vessels, is called up and made the pending business, there be a time agreement thereon as follows:

That time on the bill be limited to 2 hours, to be equally divided between and controlled by the distinguished Senator from Louisiana (Mr. LONG) and the distinguished assistant Republican leader or his designee; that time on any amendment thereto be limited to 1 hour, to be equally divided between the mover of such amendment and the manager of the bill; and that time on any amendment to an amendment, debatable motion, or appeal be limited to 30 minutes, to be equally divided between the mover of such and the manager of the bill; with the understanding that should the manager of the bill favor any of such, then time in opposition thereto will be under the control of the distinguished assistant Republican leader or his designee.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SECOND SUPPLEMENTAL APPROPRIATION BILL—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the second supplemental appropriation bill for 1972 be limited to 3 hours, to be equally divided between and controlled by the distinguished manager of the bill (Mr. ELLENDER) and the distinguished ranking minority member (Mr. YOUNG); that time on any amendment, debatable motion, or appeal be limited to 30 minutes, to be equally divided between the mover of such and the manager of the bill, except in those cases when the manager of the bill favors such, in which situation the time would be under the control of the distinguished assistant Republican leader or his designee—this agreement to be in effect at such time as the bill is called up for consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent, with respect to the agreements which have previously been entered into regarding H.R. 11589 and the second supplemental appropriation bill for 1972, that they be printed in the usual form, which would include provisions for the yielding of time from time allotted on the bills, by the Senators in control thereof to the proposers of any amendments, debatable motions, or appeals.

The PRESIDING OFFICER. Without objection, it is so ordered.

ARTHUR E. SUMMERFIELD

Mr. GRIFFIN. Mr. President, Michigan and the Nation have lost a great and dedicated citizen when, at the age of 73, Arthur E. Summerfield of Flint, Mich., passed away early yesterday in West Palm Beach, Fla., where he had been hospitalized for 2 weeks.

In the words of the poet:

The measure of a man's life is the well spending of it . . .

The life of Arthur Summerfield was well spent. He was a man of tireless energy, great enthusiasm and abiding faith, who moved easily and effectively in two worlds—in the world of business and the world of politics.

He was eminently successful in both worlds.

In business, through his industry and hard work, he created in his hometown of Flint one of the largest Chevrolet dealerships in the whole Nation.

In politics, he was not only an influential, he was a dominant, figure in the Republican Party for many years. For 8 years he served as Postmaster General in President Eisenhower's Cabinet and was one of the President's most trusted advisers.

As his lovely wife once proudly observed, he was "a self-made man in the best American tradition."

A native son of Michigan, he was born in Pinconning on March 17, 1899, and attended elementary school in Bay City. When he was 9 years old he moved to Flint with his family.

It is a measure of Arthur Summerfield's remarkable will and ability that he was able to accomplish so much even though he had little formal schooling. After completing the eighth grade at the age of 13, he went to work distributing mail and running errands for the Weston-Mott Co., a manufacturer of axles. He often recalled this experience later when he became the Postmaster General of the United States, responsible for delivery of the Nation's mail.

Later he worked at the Buick plant in Flint, and during World War I he was an inspector in the ammunition department of Chevrolet.

Still later, he entered the real estate field as a family undertaking, with Mrs. Summerfield minding the office and keeping the books.

The faith of Arthur Summerfield in the future of his country was demonstrated when the 1929 stock market crash signalled the beginning of the Great Depression. He and Mrs. Summerfield mortgaged their home to buy a Chevrolet dealer franchise. The Summerfield Chevrolet Co. began business in 1930, and during the succeeding years expanded many times over.

Arthur Summerfield moved actively into politics when he supported Wendell L. Willkie for President in 1940. After a Willkie visit to Flint, he took the lead in organizing a drive for the Republican candidate in Genesse County. Willkie carried Genesee County and the State.

From that time on, Summerfield was an increasingly important name in Michigan and national politics. In 1943 he became Director of the Michigan Republican State Central Committee, and in 1944 he was elected Republican National Committeeman. By 1946, he had become regional vice chairman of the Republican National Committee in charge of fundraising in a five State area.

An early supporter of General Eisenhower, Arthur Summerfield journeying to Paris to urge the World War II leader to come home and run for the Presidency. After General Eisenhower's nomination in 1952, Summerfield became national chairman and directed the general's successful campaign.

The appointment of Arthur Summerfield as Postmaster General recognized his great ability and his untiring work for the Eisenhower-Nixon ticket.

Even after leaving the Cabinet, the interest of Arthur Summerfield in public and civic affairs never diminished. Unwavering in his party loyalty, he worked hard for President Nixon in 1960 and in 1968, and for Senator Goldwater in the 1964 campaign.

He gave untiringly of himself to his community, State, and Nation. He worked effectively for the automobile industry upon which so many in Michigan depend for their livelihood. Only recently, he was of great help to those of us in Congress who worked successfully for repeal of the 7 percent Federal excise tax on automobiles.

By merely reciting the many interests and activities of Arthur Summerfield, it is not possible to do justice to the memory of this very remarkable American.

In his death, I have lost a good friend, a loyal supporter and a wise counsellor. The Nation has lost one of its ablest and most dedicated citizens.

Mrs. Griffin and I extend our deepest sympathies to Mrs. Summerfield and the Summerfield family.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 9:45 a.m.

After the two assistant leaders have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order listed:

Mr. Moss.

Mr. HARRY F. BYRD, JR.

Mr. BELLMON.

At the conclusion of the unanimous-consent orders, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of the period for morning business, the Chair will lay before the Senate the unfinished business, S. 3526, the U.S.I.A.-State authorization. There will be no votes on that bill tomorrow. There will be opening statements and other statements with respect to that bill and with respect to other matters.

Mr. President, I wish to take this opportunity to express our appreciation to all Senators for their fine cooperation in the action on the four measures that have passed the Senate today. Two of

them were quite difficult and controversial.

I also wish to congratulate the manager of the Amtrak bill (Mr. HARTKE) on his very commendable, expert, and effective handling of that measure; and similarly I wish to congratulate the distinguished Senator from Wisconsin (Mr. PROXMIRE) on his equally expert and judicious and able handling of the truth in billing practices bill. I thank and express commendations likewise to the ranking minority members on each bill, and who did an equally fine job.

All Senators are to be commended on the work accomplished today; there have been nine rollcall votes, it has been a long, hard day—more than 11½ hours—and I wish to express my personal satisfaction as well as by thanks again to all Senators for their patience and cooperation.

ADJOURNMENT UNTIL 9:45 A.M.

Mr. GRIFFIN. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until 9:45 a.m. tomorrow.

The motion was agreed to; and at 8:44 p.m. the Senate adjourned until tomorrow, Friday, April 28, 1972, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate April 27, 1972 (Legislative Day of April 25, 1972).

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

William A. Carey, of Illinois, to be General Counsel of the Equal Employment Opportunity Commission for a term of 4 years. (New position)

FEDERAL RESERVE SYSTEM

Jeffrey M. Bucher, of California, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1972, vice Sherman J. Maisel, term expired.

DEPARTMENT OF JUSTICE

William C. Smitherman, of Arizona, to be U.S. attorney for the district of Arizona for the term of 4 years, vice Richard K. Burke, resigned.

IN THE COAST GUARD

The following temporary officers of the U.S. Coast Guard for promotion to chief warrant officer W–4.

John H. Ingram
Michael J. Barry
Jewell E. Laqua
Charles H. Cox
Jesse L. Long
Gerald W. Hayes
Robert L. Perkins
Eugene R. Lytton
William B. Clark
George R. Thomas
Billy G. Bailey
Forrest W. Peil
Robert A. Bhend, Jr.
Stephen Sperlak
Harold V. Smith
Paul B. Robertson
Carlton P. Smith
Frank A. Christoph
Louis R. Stowe
William G. Wohlfarth
Frank M. Alonzo
Wayne J. Lange
Joseph B. McCarthy
Charles H. Studstill
Theodore J. Polgar
Richard L. Lunz

The following chief warrant officers W–3 for promotion to chief warrant officer W–4.

Robert C. Knowlton
William D. Hutchins
Myron L. Marcey
Jesse Bradford
Harry E. Lape
Roger L. Kennedy
Frederick A. Brockman
William W. Honeycutt
Robert L. Cotter
James P. Riddle
Donald L. Landes
Henry G. Jett
Lee Bradford, Jr.
George W. Todd
Eugene L. Murphy
William C. Cumming
John W. Collins
Ralph M. Dobson
Robert E. Jefferson
Roger J. Conard
Gary R. Klinkman
Victor L. Popplewell
George H. Yarrington
David E. Ford
Larry B. Brown
Robert D. Fiester
Douglas J. Hymers
Beecher D. Rapp
Hassan S. Salem, Jr.
Anthony Simoncini
Robert A. Fleming
Robert E. Halstead
Edward L. Amos
Forrest D. Fesler
Leroy J. Rathbun
Charles A. Lummus
James V. Simons
Harold D. Peck
Wilbur L. Matthews
Thomas E. Wassum
William F. Hiller
Leonard E. Engel
Billy B. Weimer
Ernest G. Smith
Edward J. Sitarski
Robert D. Hedgpeth
Edward F. Magee
Raymond G. Pullen
Glen W. Patterson

The following temporary officers for promotion to chief warrant officer W–3.

Robert E. Carmen
Gerald L. Ranes

The following chief warrant officers W–2 for promotion to chief warrant officer W–3.

Edward T. Kassick
Gordon M. Snook
Michael A. Allen
James L. Carnley
Thomas J. Nalley
Donald J. Buotte
Philip R. Sheldon
William J. Nielsen
William H. Shova, Jr.
Eddie E. Arnold
Fredric R. Brentson
Richard S. Flood
Robert K. Chandler
Harold H. Hager
John Kollar
John M. Weathers
Frederick W. Shackleton
James B. Alexander
Walter W. Croft
John O. Meekins, Jr.
Herbert P. Metzger
Gail O. Daugherty
Roger J. Rosie
Robert E. Morong
Earl J. Rouse
Norman A. Rogers
Charlie E. Melanson
Robert E. Lee
John H. M. Douglas
Arthur G. Villar, Jr.
Robert F. Hunt
Richard Findley
Duane D. Judkins
Earl L. Portrey
Jeffrey O. Wenger
"C" "C" Self
George W. Allen
Joseph G. Kava
Roger G. Resor
Ford F. Aumiller
William C. Hendry, Jr.
George F. Fallon
Jack L. Shampine
Ronnie M. Watson
James J. Patton
Norman L. Williams
John P. Lambert, Jr.
Leslie C. Eaton
Charles F. Walsh
James H. Henderson
Tony M. Robinson
Lee T. Jones
Norman A. Summers
William A. Gregory
Herman S. Loper
Edwin B. Ray
Daryl V. Orey
George W. Truntich
Paul F. Pearson
William E. Ambrose
Stephen T. Pitro
Robert W. Cason
William D. Saunders
Clovis B. Hickey
Gerald J. Lambert
Clark P. Kippenberger
Alfred M. Perry
John H. Larson
Richard R. Trompke
Charles M. Cate
Leonard J. Bobrowski
Egbert F. Williams
Roy Lindley
Albert W. Joynes
Perry W. Gines
Harold T. Wright
Harold D. Davis
Robert J. Silva
Dennis K. P. Lee
Claude C. Charley
James M. Meehan
George A. Matheson
Eugene V. Bowles
John A. Hagelin
Dominick P. Medico
Leland T. Davis
Fred H. Finkel
Thomas H. Bernhardt, Jr.
William E. Leistner
Theodore J. Falter
John W. Simpson
Robert W. Holley
Norman E. Caribo
Thomas B. Grimes
Richard W. Bowmer
Donald R. Clapp
Rodney N. Strelau
James A. Heckler
William D. Woodbury
David D. Beattie, Sr.
Curtis R. Neal
Harold L. Coel
Bobby A. Swindell
Lyle L. Cosner
Edward H. Lapinski, Jr.
Lafayette G. Duke
Edwin C. Price, Jr.
Victor A. Zink, Jr.
Richard L. Benson
Robert H. Marx
Lynn C. Helm
Larry G. Longbottom
Paul S. Grimes
William A. Wiggins, Jr.
Forest H. Mayer
Richard L. Trevallee
Richard C. McDowell
Thomas S. Mitchell
Philip A. Montminy
Charles D. Sprague
Thomas M. Creighton
Ervin S. Whitaker
William P. McGlone
Thomas J. Shubbuck
Kenneth E. Leland
Darrell L. Collier
Charles R. Robinette
Ralph E. Huck
Leo A. Coakley
John A. Hilmer
Joseph R. Oliver
Nerius Collazo
Kenneth J. Olsen
Gary C. Zoehler
Royce G. Young
Edward J. Norris
Joseph C. Berry
Daniel E. Fowler
Robert Berry
Cecil G. Bryan
Gary A. Lappier
Roger O. Lake
Irvin L. Gaines
Daniel G. Schueler
James B. Griggs
Ernest L. Styron
Vance M. Miller
Huey D. Grandstaff
George M. Batey
Thomas A. Pitkin
Charles W. Slaughter
James T. Lanier
Freddie J. Porter
Vernon M. McClellan
James F. Brown
Ronald Grant
Timothy G. Flavin
Cleo F. Metty
Douglas G. Wade
Robert L. Clark, Sr.
Donald W. Hale
Fernando F. Gispert
Carl B. Seale
Gerald J. Schramski
Clayton L. Swearingen
Jerry W. Lewis
Joseph C. Ehrenberg, Jr.
Walter J. Capps
Nelson M. Tavares
Lancy L. Bostwick
William J. O'Boyle
David A. Handy
Jerome J. Koenig
James L. White
William Gray
Robert Frates

The following temporary officers for promotion to chief warrant officer W–2.

Robert N. Zimmer
Melvin L. Kankelfritz
Perry W. Campbell
James A Murphy
Warren E. Dutton, Jr.
Donald T. McNulty

The following temporary chief warrant officers W–2 to permanent chief warrant officer W–2.

Wallas G. Cogswell
Robert D. Newcomb
Robert J. Rhoads
Irvin E. Dean
Anthony K. Orchard
Duayne J. Roberts
William J. Matter
Richard G. Pierce
Kenneth E. McFelea
Robert B. Dunn
John F. Bischoff, Jr.
John A. Haldeman III
Russell W. Evans
Herbert L. Willis
Leo H. Sermershiem, Jr.
Larry A. Barker
Fred A. Ross
Wright P. Pippin
James E. McDevitt
Hugh Mobley
Robert A. Leary
James G. Shrader
Carroll F. Schroeder, Jr.
Edwin A. Gardner
Robert F. Donahue Jr.
Elwood N. Sawyers
Howard A. Fregetto
Heber N. Kern
Ronald C. Frazier
James L. Taylor
James F. Lindsay
Steve Reynolds, Jr.
Wilber F. Ball
Thomas E. Meriwether
David B. Sterling
Joseph E. Mott
Robert J. McCall
Donald D. Blackmon
George C. Roath
Horace G. Hewitt
Gerald D. Schott
Wilton R. Meekins
Leroy G. Seier
Raymond Spadlin
Gerald D. Huskey
Robert A. Wilson
Harold E. Casper
Charles D. Dryden
Antonio Braz Jr.
Russel W. Watson
George K. Lloyd
Friend J. Cornell
Frank B. Carlsson
Wilbur A. Cote
Lawrence T. Johnson
Herman L. Clark
Howard R. Wolf
Willis P. Miller
James R. Lindeblad
Thomas R. Aitchison
John Wiggins
Stanley J. Bibby
Bruce A. Angus
Thomas E. Riley
Dan T. Markum
William J. Kaszubski
Harry T. Imoto
Richard E. Moore
Donald G. Brauer
Thomas L. Magorian
Jerome W. Cooney
Daniel Gonzalez
Richard T. Burgoyne
Henery R. Roesing
George R. Sinnett
Edward A. Koziski
Elden G. Nenstiel
George R. Gillett
John E. Marshall
Gerald L. Pond
John G. Burkee
Dean G. Wheet
Arvin L. Miller
Gale E. Zable
Karl E. Adkison
Walter P. Kee
Harold R. Fee
Vincente B. Agor
Louis D. Bottiglieri
Robert N. Graves
Ronald C. Crosby
William H. Mainard
Fernando L. Tuano
Deaneys W. Weeks
Clarence W. Veasey, Jr.
Kenneth E. Vocke
Thomas W. Barrington
Mitchell P. Nielsen
Leon D. Kennedy
James W. Figueira
Russell W. Johnson
Ralph J. Williams
James G. Taube
William E. Brindle
Francis J. Dougherty
Donald L. Zeigler
Kendall J. Parsons
William L. Demetropoulos
Richard H. Miller
Charles L. Boyle
Robert E. Johnson
Paul W. Smith
Francis A. Crabb, Jr.

Jerry D. Murdock
Van B. Midgette, Jr.
Andrew J. Key, Jr.
Alan V. Naber
John F. Lamere
Larry W. Duncan
Frederick M. Carpenter
Lyle G. Carlson
Joseph T. Cook
Hiram E. Brooks
Vince G. Legaspi
Carl P. Konick
Billy J. Bush
Leocadio V. Chua
Richard C. Pierce
Hudean R. O'Neal
Edward A. Farlinger
Robert J. Landefeld
Charles F. Whitehouse
Howard C. Morse, Jr.
James M. Woodall
Richard D. Richardson
Gary L. Rhodes
Ronald C. Morrill
Joseph J. Karch
Laurence H. Robbins
Lawrence R. Alread
Carl H. Olsen
Curtis J. Myers
Ross J. Vanduser
Fred M. Baker
Earl H. Leyda
George E. Spoke
James W. Ellison
Thomas S. Roberts
George A. Barnum
Robert L. Lewis
Wayne G. Gretencord
Andrew J. Gregorich
Robert J. Barker
Peter A. Brunk
Allen E. Detwiler
James E. Rivera
Werner G. Schweikert, Jr.
Roy O. Smith, Jr.
John W. Stephens
Raymond Snow
Tom N. Ward
Frank X. Stolpe
Thomas J. Devereaux
Morris A. Lance
Joseph H. Williams III
James E. Hipp
Thomas R. Shutters
Neal M. Myers
Edward Hall
Lonnie M. Padgett
Alfred Fearing, Jr.
Donald G. Magill
Peter S. Hughes
Thomas L. Watson
Theodore E. Burton
Charles A. Kelley
Richard D. Poirier
James E. Shafer
Claude B. Gillikin, Jr.
Robert G. Dosh
Charles Brown
John P. MacDonald
Robert O. Briggs
Antonio G. Espejo
Carlton F. Spooner, Jr.
Robert S. Samuelson
Roy L. Delia
Frank K. Bazin
Robert R. Johnson
Donald L. Keon
Robert W. Goodridge
Robert A. F. Gillenwater
Larry D. Jordan
Charles E. Hammond
Gary J. Dowell
Douglas R. Cameron
William L. Woods
William C. Goforth
Edmund J. Brady
Charlie T. Farlow
James J. Demille
Howard H. Hudgins
Gary J. Lamb
Peter J. Kellerman
Richard J. Zabel
Roger D. Gilliver
Ervin L. Dunahoe
John C. Crawford
Donald L. Schouten
James G. E. Campbell
William K. Collier

The following-named Reserve officer to be a permanent commissioned officer in the Regular Coast Guard in the grade of lieutenant commander:

William A. Doig

The following-named Reserve officers to be permanent commissioned officers in the Regular Coast Guard in the grade of lieutenant:

Joseph A. Telep
Michael R. Perkins
Foye A. Meader
Stanley E. Burgess

IN THE AIR FORCE

The following officer to be assigned to a position of importance and responsibility requiring the rank of lieutenant general, under the provisions of Section 8066, Title 10, United States Code:

Maj. Gen. James M. Keck [redacted] FR (major general Regular Air Force) U.S. Air Forces.

IN THE NAVY

Rear Adm. Edward W. Cooke, U.S. Navy, for appointment as Director of Budget and Reports in the Department of the Navy for a term of 3 years pursuant to title 10, United States Code, section 5064.

The following-named captains of the line of the Navy for temporary promotion to the grade of rear admiral, subject to qualification therefor as provided by law:

Clyde C. Andrews
John M. DeLargy
Newton P. Foss
Albert M. Sackett
Walter Dedrick
William H. McLaughlin, Jr.
Donald T. Poe
Warren H. O'Neil
Eugene J. Carroll, Jr.
Robert H. Wertheim
Frank S. Haak
Robert J. Hanks
Warren M. Cone
Jeffrey C. Metzel, Jr.
William L. Harris, Jr.
Wycliffe D. Toole, Jr.
Charles W. Cummings
Max K. Morris
Frank W. Corley, Jr.
William N. Small
George E. R. Kinnear II
William L. Read
Robert R. Monroe
Ronald J. Hays
Kinnaird R. McKee
Merrill H. Sappington
Randolph W. King
Joseph L. Coleman
Willis C. Barnes
George F. Ellis, Jr.
Cleo N. Mitchell, Jr.
Richard E. Rumble
Edward A. Boyd
Joseph W. Russel
Ferdinand B. Koch
Justin E. Langille III
John H. Nicholson
Francis T. Brown
Owen H. Oberg
Kenneth E. Wilson, Jr.
John G. Williams, Jr.
Paul J. Early
Fred H. Baughman
John S. Kern
Robert P. Hilton
Stanley S. Fine
Burton H. Shepherd
David F. Emerson
Thomas J. Bigley

Capt. Alene B. Duerk, Nurse Corps, U.S. Navy, for appointment to the grade of rear admiral pursuant to title 10, United States Code, section 5767 (c) while serving as Director of the Nurse Corps.

IN THE NAVY

The following-named officers of the U.S. Navy for temporary or permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

LINE

Abelson, David D.
Able, Guy H., III
Achenbach, Dale A.
Achenbach, Paul L., Jr.
Acton, Richard L., Jr.
Adams, Bruce C.
Adams, Daniel C.
Adams, John H.
Adams, Michael E.
Adamson, Robert E.
Addison, Christopher L.
Adney, William M.
Adolfson, William F.
Agenbroad, Kenneth D.
Aiken, Joel W.
Airgood, Robert P.
Alcott, Roy J.
Alexander, David J.
Alexander, Jeffrey A.
Alexander, Steven R.
Alfieri, Paul A.
Ali, Nicholas J., Jr.
Allen, Charles T.
Allen, Dennis C.
Allen, James E.
Allen, Mark E.
Aller, Charles C.
Allison, Harry K.
Allphin, James A.
Ames, Oliver, Jr.
Amos, Barry M.
Amundson, Robert J.
Andersen, Michael P.
Andersen, Richard F.
Anderson, Bert M.
Anderson, David W.
Anderson, Jonathan L.
Anderson, James S.
Anderson, Kermit W.
Anderson, Leroy
Anderson, Marc E.
Anderson, Michael J.
Anderson, Samuel K.
Anderson, Terence L.
Anderson, William N.
Anderson, William J., Jr.
Andruskevich, Thomas A.
Anglim, Edward P.
Antrim, Stanley R., Jr.
Apollaro, Anthony F.
Archambo, Hubert E., Jr.
Arllen, Eric A.
Armet, Harold R.
Armstrong, William E.
Arneson, Keith J.
Arnette, Clyde E., Jr.
Arnold, Andrew J.
Arnold, Robert G.
Arter, Dennis R.
Artus, Stephen C.
Arwood, Patrick E.
Asbjornsen, Stein
Ashe, Glenn M.
Ashmore, George W.
Atherton, James B.
Atherton, Terry J.
Athow, Lewis K.
Atturio, John M.
Auriemma, John C.
Austin, Alexander L.
Austin, Roger G. J.
Avery, James H.
Avila, Richard F.
Ayers, Douglas P.
Ayers, James W., Jr.
Babb, James A.
Babcock, Barry L.
Baber, Dennis R.
Babington, William R., Jr.
Bagaglio, Mario J., Jr.
Bailey, John H., III
Baker, Bruce C.
Baker, Joseph R., III
Baker, Mark C.
Baldridge, Craig J.
Baldwin, Marvin D.
Ball, John D.
Ball, William L., III
Ballard, David L.
Ballard, Robert C.
Ballew, Robert W.
Ballew, William T.
Bancroft, Warren H.
Bandman, Albert M.
Bangert, James S.
Bannat, Edward G.
Barber, John T.
Barbero, Mark
Barley, Richard O., Jr.
Barnett, James H.
Barrett, Frank O., III
Barrett, Michael D.
Barrett, Stephen D.
Barrow, Ronnie L.
Barrus, Donald J.
Barry, Brian J.
Barry, Christopher J.
Bartlett, Richard J.
Basilio, Anthony C., Jr.
Baskerville, James E.
Bass, George L.
Bass, James W., Jr.
Bass, Joseph E.
Batdorf, Richard E.
Bathgate, John C.
Batten, Hugh N., Jr.
Battles, Duane P.
Bauer, Carl T.
Baxter, Robert M.
Baylis, Robert O.
Beall, Bradley S.
Beattie, Christian E.
Beaugureaw, Denis F.
Beck, William J.
Becker, Dennly R.
Becker, Thomas J.
Beckett, Thomas H.
Beduhn, Jerry R.
Behm, Dennis A.
Belichick, Thomas J.
Bender, Edward J., Jr.
Beninghove, Stephen F.
Bennett, Albert E., Jr.
Bennett, James D.
Bennett, Robert D.
Benson, Rodney L.
Bertelson, James A.
Bethea, William D.
Bettcher, Thomas E.
Beucler, Claire M.
Bezdek, Leo D.
Bianco, Bernard M.
Biddle, Charles T., Jr.
Bieda, George E.
Bingham, Terrence L.
Birch, Howard S., Jr.
Birnbaum, Peter A.
Bishop, Douglas S.
Bishop, Edward L., III
Bishop, John E.
Bishop, Robert A.
Bixler, Kenneth G.
Blackledge, Peter D.
Blackstock, James F.
Blakely, Robert D.
Blanchard, James J.
Blaue, John W.
Bleeker, James M.
Blewett, Jay A.
Blish, Nelson A.
Blom, Richard J.
Bloyer, Stanley F.
Bluhm, Peter M.
Bock, Jim B., Jr.
Bodine, John H.
Bodner, Stephen W.
Bogosian, David E.
Bogstad, Joseph W.
Bohannon, Edward L.
Bohm, Dwight K.
Boland, James A.
Bolinger, Paul F.
Bollech, David C.
Bollenbacher, Robert A.
Bonaquisti, Frank, Jr.
Bond, William R.
Bonds, John M.
Bone, John F.
Bonnett, John W.
Borsting, Conrad R.
Bostick, Robert K.
Botham, Kenneth M., II
Boucher, Oliver A., Jr.
Boucher, Richard E.
Bouchoux, Donald R.
Boudreaux, Joseph C., III
Bovey, Robert D., Jr.
Bowen, John C.
Bowers, John F., Jr.
Boyd, Marshall D.
Boynton, Robert W.
Bozeman, William S.
Bradfield, Robert W., II
Bradley, Theron M., Jr.
Braine, Daniel H.
Bramley, William A., III
Branch, Malcolm P.
Branum, Jerome S.
Braschel, Grant O.
Braunstein, Wayne J.
Bray, Paul A., II
Brayton, Paul F.
Breckinridge, William L., VI
Breckon, Thomas J.
Brelsford, Edward M.
Bremhorst, Joseph H.
Brennan, Robert A.
Brenneman, Stephen A.
Brenner, Lawrence J.
Brevig, Leroy D.
Bricker, Edward G.
Bries, Eric D.
Briggs, Steven E.
Briggs, Thomas P.
Brink, Gale D.
Broaddus, Girard T.
Broman, Theodore H., III
Brooks, Randolph M.
Brooks, William E., III
Broome, John C.
Brown, Charles A.
Brown, Charles P. T.
Brown, Don M.
Brown, Gregory C.
Brown, John A.
Brown, John S.
Brown, Lynn E.
Brown, Norman F.
Brown, Richard F., Jr.
Brown, Robert B.
Brown, Stanley M., III
Browne, Chad W.
Browning, Charles S., Jr.
Browning, Jonathan E.
Bru, John W.
Brubeck, Gregory W.
Bruckner, William L., Jr.
Bryant, Richard E.
Bryant, Stanley W.
Buckalew, Alman L., Jr.
Buckingham, John S.
Budzik, Dennis M.
Bugelski, Paul J.
Bulger, Richard L.
Bunker, John M.
Burbage, Charles T.
Burdick, Thomas J.
Burdick, William F., Jr
Burgess, Ross W.
Burke, John J., III
Burkhalter, Stephen M.
Burkhard, Thomas K.
Burlin, David S.
Burnett, Jeffrey S.
Burnett, Lewis E.
Burr, Robert M.
Burton, Dennis E.
Bush, Jerry O.
Bush, Thomas L.
Butler, Charles L.
Butler, Charles T., III
Butterworth, Bruce V.
Butterworth, William J., Jr.
Byles, Robert W.
Byrne, Thomas M.
Cadwell, Mark C.
Cairnes, George W., III
Calkin, Scott A.
Callan, Leonard J.
Callan, Patrick F.
Callison, Claude O.
Campbell, Carroll E.
Campbell, Gerald E.
Campbell, Joe
Campbell, Richard T.
Capps, Charles J., Jr.
Carden, Carl E.
Carey, Wayne T.

Carey, William R., Jr.
Carlson, Christopher J.
Carlson, Eugene R.
Carlson, James R.
Carmean, Wilson L.
Carmichael, Hubert M., Jr.
Carney, Raymond F., Jr.
Carper, Thomas R.
Carpowich, David J.
Carr, Gregory L.
Carreiro, William T.
Carrier, John X., II
Carroll, Charles R.
Carroll, Kenneth W.
Carter, Alden R.
Carter, David E.
Carter, Dennis C.
Carter, James A.
Carter, John M.
Carter, Raymond M.
Carver, Bobby W.
Cashman, John F.
Cassidy, Edward T., Jr.
Cassidy, John A., Jr.
Cast, Frederick A.
Castro, Ignacio, Jr.
Caswell, Gary J.
Cataldi, Richard A.
Cate, Francis R.
Cates, John F., Jr.
Cavaiola, Lawrence J.
Cavanaugh, Thomas J.
Cavender, William K.
Caviness, Stephen D.
Cebulski, Raymond J.
Cech, Kenneth C.
Chalfant, Barry H.
Chalfant, Peter S.
Challain, Eric J.
Chambless, James E.
Champney, Robert K.
Chance, Thomas H.
Chapman, Carter S., Jr.
Chapman, Richard K.
Charlton, Frank G., III
Chase, Dudley H.
Chatfield, Steven C.
Cheves, John D.
Chevrier, John M.
Childers, Richard D.
Chipps, Samuel K.
Christensen, William J.
Christenson, Ronald L.
Christian, Roy C.
Christiansen, Carl S.
Church, Albert T., III
Cima, William M.
Cipriani, Alfred L.
Clancy, Kevin S.
Clapsadl, Michael R.
Clark, Allan F.
Clark, John F.
Clark, Michael B.
Cleverdon, Thomas F.
Clifford, William F.
Clifton, Guy D.
Cochrane, John M.
Code, James E.
Coffin, William M.
Colantoni, Anthony V.
Cole, Charles G.
Cole, Ford R.
Cole, James D.
Coleman, Walter D., Jr.
Coleman, William E.
Colie, Timothy B.
Collins, Steven L.
Colvin, Joe F., II
Conger, Robert W., Jr.
Conkle, William C.
Conley, Wilder L.
Conlon, Thomas E.
Conly, John T.
Connell, Hugh D., II
Conner, John M.
Connors, James D.
Connors, Philip F.
Conrad, John W.
Consaul, Harry P., III
Conway, Michael R.
Conway, Richard W., Jr.
Cook, Carroll E., Jr.
Cooke, George A., Jr.
Cooley, Pemberton, III
Cooper, Daniel D.
Cooper, Randall F.
Corcoran, Colin D.
Corcoran, Thomas J.
Cordier, Richard J.
Cosgriff, Robert W.
Cote, Daniel N.
Counts, Steven L.
Cowper, Richard G.
Coxe, William K., Jr.
Coyle, Barry J.
Crabb, James D.
Craddock David G.
Craig Harold A.
Crandall Scott M.
Crane Daniel M.
Crannell David J.
Crawford Jeffrey D.
Craynock Julius F. III
Creekman, Charles T. Jr.
Crellin, Bruce E.
Crenshaw, Keith V.
Crisp, Dale W.
Crisp, Marvin H.
Croake, John M.
Cronin, Grover J., III
Crooks, Daniel A.
Cross, Roger D.
Croucher, Barry L.
Crouse, Thomas C.
Cruser, Thomas P.
Cuccias, Robert F., Jr.
Culet, James P.
Cullen, Terrence V.
Culpepper, James C.
Cumminger, Frederick T., III
Cummings, Robert L.
Cummings, Walter J.
Cummins, William E., Jr.
Cunliffe, Robert F.
Cunningham, Lowell E.
Curley, William H.
Curnow, Frank J.
Curran, James J.
Curtin, James A.
Curtis, Dalton B., Jr.
Curtis, Dana S.
Daggett, David K.
Daigle, Valier J.
Dalessandro, Vincent R., Jr.
Daley, Thomas J.
Daly, Denis F., Jr.
Damsgaard, Mark D.
Daniel, John H., III
Daniels, James N., Jr.
Danielson, Terry A.
Danysh, Donald C.
Darezzo, Richard A.
Daube, David E.
Davey, Bruce C.
Davidson, Francis L.
Davidson, James D.
Davidson, James A.
Davidson, Raymond Al
Davis, Christopher M.
Davis, Robert B.
Davis, Roderick F.
Davis, Theodore, E.
Davis, William O.
Davison, Henry G.
Day, Robert W.
Day, Thomas R.
Deacon, Bruce E.
Dean, Floyd R.
Dean, Thomas R.
Deantonio, Robert F.
Debaggis, Michael P., Jr.
Deeter, Michael L.
Deets, Clifford L.
Deininger, David G.
Delaplane, Stephen W.
Delong, Glenn E.
Dempsey, Francis B.
Dempsey, Richard M.
Despain, William M.
Detwiler, Richard M.
Devanney, John C.
Devries, Peter J., Jr.
Dibble, Ronald A.
Diddlemeyer, Lawrence F.
Diem, Robert P.
Dietz, Donald M.
Dillon, Terry M.
Dimario, Robert
Dionizio, Augusto J., Jr.
Dobbins, Dennis G.
Dockstader, Bruce L.
Docton, Maurice H.
Dodge, Kenneth E.
Doempke, Gerald T.
Dolan, James E., Jr.
Donahue, Neal R.
Donilon, Michael F.
Donovan, Gerard M.
Donovan, John E.
Doran, Clark D., Jr.
Douglas, Tarry J.
Dove, Rhett P., III
Dover, James R., Jr.
Dowd, Andrew S., Jr.
Dowgiewicz, Michael A.
Downey, Gerald J., Jr.
Doyel, Christopher B.
Doyle, Geoffrey N.
Dreesen, Robert W., Jr.
Drew, David O.
Driscoll, Terence P.
Drossel, Craig
Drummond, Frederick J.
Dube, Bruce B.
Duckworth, Eddie L.
Dudek, David F.
Dudley, Harrison G., Jr.
Duke, Russell, A., Jr.
Dundas, James C.
Dunford, Robert W.
Dunn, Carl B.
Dupont, Ralph P., Jr.
Duvall, George E.
Dvorak, James P.
Dyer, Thomas J.
Dysart, Barry J.
Eagle, James N., II
Eason, John W.
Eastwood, George H.
Ebner, Robert A.
Eby, Ronald G.
Eckerman, Lawrence I.
Eckert, William J.
Economou, James L.
Edgar, Jack K.
Edgington, Bobbie G.
Edling, David V.
Edmonds, Carl H.
Edwards, Daniel D.
Ehemann, David A.
Ehrlich, Gerald D.
Elderkin, Kenton W.
Elfers, Glen E., Jr.
Elliott, Patrick W.
Ellis, James O., Jr.
Ellison, Martin D.
Elmore, Craig W.
Elston, Robert G., II
Eminhizer, Ronald D.
Emmons, Frederick R., Jr.
Engler, Brian D.
Enman, David M.
Epperson, Steven C.
Erdman, Edward A., III
Erhardt, Richard A.
Erickson, Lief W.
Erickson, Phillip A.
Erickson, Sidney L.
Erwin, Robert C.
Etheridge, Melvin R., Jr.
Etter, Thomas H.
Eubank, Perry H., Jr.
Euliss, James P.
Eustis, Harold R.
Evans, Albert L.
Evans, Charles L., III
Evans, Steven R.
Everett, John C.
Everhart, Ward S.
Ewing, Robert K.
Fahy, Thomas E.
Falls, Larry W.
Faneuf, Leo J., III
Farlow, Irl R.
Farmer, Roger A.
Feder, John H.
Fedyszyn, Thomas R.
Feeney, James L.
Felten, John A.
Ferenbach, Vincent C.
Ferguson, Paul F.
Fernie, John D.
Ferrell, Basil L.
Ferriman, Robert L.
Fiechter, Jacques P.
Fikes, Raymond F.
Fincher, Walter K.
Findrick, Edward J.
Finison, Edwin B.
Fink, Lee
Finnegan, Edward J.
Fischer, Andrew
Fischer, Michael H.
Fisher, Myles A.
Fitch, David P.
Fitzgerald, Edward J.
Fitzhugh, John E., II
Flannery, Jeffrey H.
Fletcher, Gregory G.
Fletcher, Stephen J.
Floyd, Richard P., Jr.
Flygare, Robert H.
Foley, John B., III
Foltz, Randall A.
Foote, George W.
Force, James E.
Ford, Jerry W.
Ford, Mark L.
Forney, Robert A.
Forscher, Edward W.
Forte, Bruce F.
Fortino, Anthony M.
Fortson, Robert M.
Fouse, William F.
Fowler, Arthur H., III
Fowler, Thomas V.
Fox, Richard F.
Francis, David L.
Frangione, Robert E.
Franicola, Robert A.
Frank, Stephan D.
Franklin, Richard H.
Franks, Douglas M.
Franzoni, John C., Jr.
Fraunfelder, Maurice F., Jr.
Fredricksen, Robert A.
Freed, Donald E.
Freed, Rodney W.
Freeman, Bruce D.
Freeman, Thomas L.
French, Raymond C.
French, Spencer L.
Frentzel, William Y., II
Frey, Edward F.
Frick, Robert E.
Frondorf, John R.
Fuellenbach, Joseph C.
Fulbright, Joseph J., Jr.
Fuller, John R.
Furland, Frederick M.
Fuson, William A.
Gabriel, Steven B.
Gagliardi, Dennis L.
Gallagher, John J.
Gallagher, Gerald L.
Gallegos, Richard E.
Galus, Albert J. R.
Galvani, William P.
Gamlen, Curtace S.
Gano, Richard D.
Gantley, John E.
Garavito, Donald E.
Gardner, Gregory L.
Gardner, Lester O., Jr.
Garnett, Robert R., Jr.
Garrett, Aaron D.
Garrett, Spencer L.
Garrett, William S., Jr.
Garske, John C.
Gaumond, George R.
Gauss, John A.
Gauthier, Maurice A.
Geagan, James J.
Geisler, Fred A.
Gembol, Michael P.
Gemmill, Alan M.
Genrich, Michael G.
George, Danny L.
George, Frederick L.
George, Robert T.
Gerlach, Milton F.
Getz, Richard R.
Giancola, Charles A.
Giannaris, Robert J.
Giannotti, Louis J.
Gibbens, Richard J.
Gibbs, Thomas R.
Gier, Scott G.
Giesemann, Frank T.
Gillaspie, Robert C.
Gillespie, Thomas R., II
Giraldi, Walter R.
Girardet, Wayne E.
Glass, Dennis W.
Gobel, Gary G.
Goins, Kenneth R.
Good, James L.
Goodmundson, Gary C.
Goodwin, Hugh G.
Gordon, Alan L.
Gordon, George M.
Gordon, Vernon C.
Gore, Charles F.
Gorman, Thomas R.
Gorrell, David K.
Gospodarec, Donald S.
Gott, John C.
Gourley, James E., II
Gragg, William L.
Grant, James R., III
Grapoli, Alfred P.
Grauert, Christopher M.
Gravitt, Patrick D.
Gray, Glen B.
Gray, Robert J.
Gray, Robert M.
Green, Gordon M.
Green, Leon C., Jr.
Greene, Joseph M., Jr.
Greenlee, William E.
Grehawick, Gregory D.
Gremillion, Lee L., III.
Griffin, David C.
Griffith, Curtis B., II
Grimm, David B., Jr.
Grimm, William R.
Gritzen, Edward F., II
Gross, Albert C.
Grove, David E.
Grove, Samuel P.
Grumley, Terry L.
Gubbs, Douglas H.
Guilfoyle, James R.
Gullickson, Gregg G.
Gumbert, Ronald D., Jr.
Gunn, Edward J.
Gunter, Joseph M.
Gutelius, Paul P.
Guthier, Steven L.
Gutmann, James E.
Haas, Ronald C.
Hacker, Daniel M.
Hackett, Edward J.
Hackney, Stephen A.
Haddock, Joseph W., III.
Hadfield, Peter J.
Hagan, Thomas F.
Hager, Alan R.
Haifley, Michael F.
Haight, Richard W.
Hall, George H.
Hall, Kenneth W.
Hallam, Philip G., Jr.
Hallett, Michael T.
Halliday, Howard J., Jr.
Hallock, William S.
Halloran, John G.
Halwachs, Thomas E.
Hamburg, James W.
Hamel, Henry J.
Hamilton, David E.
Hammond, Patrick A.
Handlers, Robert G.
Hansen, Gregory L.
Hanvey, Stephan A.
Harbin, Michael A.
Harding, George F., Jr.
Hargis, Raymond L.
Hargrove, James W., Jr.
Harnish, Thomas D.
Harr, Roger R.
Harrell, Deck E.
Harris, James D., Jr.
Harris, James P.
Harris, Jeffrey K.
Harris, John D., Jr.
Harrison, Michael A.
Harrsch, David A.
Hart, Frank G., Jr.
Hartling, John M.
Hartman, Roger W.
Hartman, Robert F., III
Hartmann, Bruce M.
Hartwell, Jerold K.
Haushalter, Jeffrey R.
Havel, Richard W.
Haverstock, John L.
Hawes, Frederick J.
Hawken, Charles H.
Hawkins, John B., Jr.
Hawkins, Robert K., Jr.
Hayball, Robert M.
Hays, Leroy E.
Hazelrig, John P.
Head, Nelson H.
Hearn, Hamilton D., Jr.
Hearne, Lonnie P.
Heaton, David W.
Heibel, Richard P.
Heidel, Michael L.
Hein, Gary W.
Hellrung, Jeffrey M.
Helm, Robert M.
Helsley, Ronald E.
Heming, David M.
Hemler, Stuart T.
Henderson, Randall S.
Henderson, James K.
Hendricks, Michael A.
Hendricks, Robert L.
Hennagin, Brian D.
Henze, Howard M.
Herring, Robert A., III
Herrman, Roger W.
Hershon, Simon A.
Herter, Judson R.
Hess, Michael D.
Hester, Michael J.
Hewett, Leslie W., Jr.
Hewig, William, III
Hickey, Charles D.

Hickman, Harold D.
Hickman, John E., Jr.
Hickman, William F.
Hicks, Benjamin H., Jr.
Hicks, Fred A.
Hicks, Harold S., Jr.
Higdon, Ronald G.
Higgins, James B.
Higgins, James C., III
Higgins, Simeon G., Jr.
Hiland, David A.
Hilburn, John E.
Hill, Lucius G., III
Hill, Richard A.
Hillmann, Leo C.
Hills, Ronald E.
Hillyer, Richard S.
Hilton, Hugh A.
Hilton, Jarvis G.
Hinckley, Robert C.
Hine, Jonathan T., Jr.
Hipp, Spencer H.
Hirschl, Jeffrey S.
Hirt, Keith A.
Hobson, Lynn E.
Hodill, Richard R., Jr.
Hoehn, Joseph P.
Hoff, Norman L., Jr.
Hoffman, Charles A.
Hoffman, Gary R.
Holcombe, Horace T.
Holden, Thomas W., Jr.
Holeman, Clinton N.
Holland, Barry S.
Holland, Daryl T.
Holleman, Thomas J.
Hollett, Kenneth J.
Hollis, Michael K.
Holmes, James E.
Honderich, Forrest T.
Honey, Michael L.
Honour, Eric C.
Hood, Robert M.
Hooper, James A., IV
Hopkins, Carl L.
Hopper, Edward A.
Hornberger, William B.
Horne, George M.
Horning, Nicholas C.
Honstra, Douglas J.
Horsley, James B.
Horton, Ronnie R.
Hostetter, Theodore L., Jr.
Hougham, John R.
House, Michael E.
Hoverson, John O., Jr.
Howard, Thomas N.
Howarth, Gray L.
Howe, David P.
Howie, John R.
Hoxie, Andrew B.
Hubel, Dennis J.
Hudson, Frank W., Jr.
Huey, Homer D., Jr.
Huff, James H., III
Hulatt, Keith W., Jr.
Humberd, Calvin C. Jr.
Humrighouse, Eugene B., Jr.
Hunt, Conway L.
Hurley, Allen L.
Hurley, William D.
Hutchings, Robert L.
Hutchins, Walter M.
Hutchison, John R.
Hutton, John W.
Hvidding, Paul C.
Iacuaniello, Umberto C., II
Illing, William R., Jr.
Ingerski, Jerome J.
Ingram, Carl E.
Isbit, Daniel S.
Isele, Charles P.
Iuvone, Brian D.
Iverson, Kenneth J.
Jackson, Charles A., Jr.
Jackson, George W.
Jacobs, John W.
Jacobsen, John A.
Jadlocki, Ronald
James, Gary B.
James, Stephen A.
James, William B.
Jameson, Stephen
Jamison, Michael E.
Jamison, Philip C.
Janak, Jordan R.
Janda, Robert W., Jr.
Janes, Jack H.
Jarina, Michael P.
Jarman, Roger C.
Jarrett, David C.
Jeffries, Charles L.
Jenkins, Gerald W.
Jennings, David B.
Jennings, Hugh S.
Jensen, Franklin J., Jr.
Johannsen, Michael K.
Johnesee, James A.
Johnson, Charles C.
Johnson, Don M.
Johnson, Gregory
Johnson, Gregory G.
Johnson, Robin R.
Johnson, Stephen D.
Johnson, Stephen I.
Johnson, Thomas B.
Johnson, Thomas P.
Johnson, Wade C.
Johnson, William P.
Johnston, George B., Jr.
Johnston, Paul S.
Johnston, Peter B.
Jones, David L.
Jones, Fred W.
Jones, Frederick E.
Jones, Gregory B.
Jones, Jerrold A.
Jones, John P., Jr.
Jons, Kenneth E.
Jones, Meade A., Jr.
Jones, Michael K.
Jones, Michael O.
Jones, Raymond D.
Jordan, Joseph E., Jr.
Jordan, Robert Y.
Josephsor, Stephen W.
Joslin, Charles L., III
Joslin, Royal D.
Juarin, David S.
Jupin, Harry A.
Jurand, George W.
Kachergus, William F. Jr.
Kail, Robert P.
Kalb, Richard W.
Kaler, Herbert C.
Kane, John D. H., III
Kanitz, Thomas C.
Kanupka, George J., III
Kanze, Robert M.
Karcewski, Stanley J.
Karlan, Charles C.
Karpyak, Steven D.
Kase, Stephen A.
Kawaguchi, Ray S.
Kearley, John J.
Kearns, James T.
Keegan, John W.
Keeney, Merle A.
Kehoe, William A.
Keller, Joseph F.
Kelley, James B.
Kelley, Jerry E.
Kelly, David L.
Kelly, Richard A.
Kelly, Richard E.
Kempe, Byrd C. W.
Kennedy, Bloyd D., Jr.
Kennedy, John J., Jr.
Kennedy, Kraig M.
Kennedy, Richard A.
Kenney, James M.
Kenyon, Michael H.
Kephart, John G.
Kernan, Joseph E.
Kernan, William, Jr.
Kerwin, Timothy H.
Kester, Rodger P.
Ketts, Robert L.
Keup, Wayne A.
Key, Kenneth W.
Kibler, Rex W.
Kilmer, Milo J., II
Kimble, Gerald A., Jr.
Kimmel, James M.
Kindelberger, Ralph H.
Kinder, Drew D.
Kindstrom, Earl E.
Kingery, Donald L.
Kinsley, Brian E.
Kirby, James D.
Kirby, Thomas M.
Kirk, Douglas C.
Kirkland, Richard G.
Kirkman, John Q.
Kislia, Jerome D.
Kissell, Peter B.
Klemstine, Charles F.
Kley, William J.
Kline, Howard K.
Kline, Roger P.
Klocek, Thomas E.
Klosterman, Robert C.
Klugh, Robert B.
Knapp, Roland B.
Knobel, James D.
Knowles, David N.
Knowlton, Robert D.
Knubel, James
Koch, Kenneth W.
Koch, William N.
Kockler, Frank R.
Koerner, Daniel E., Jr.
Kokstein, Robert G.
Kolman, Jerry D.
Konen, Raymond R.
Koning, Jack A.
Korinis, Peter W.
Kosloff, Donald C.
Kowalczyk, Michael A.
Kraabel, John S.
Kracke, William F.
Kraft, Nile R.
Kral, David J.
Kral, Theodore C.
Kras, James
Kratt, Clifford L.
Krattli, Gene M.
Krause, Lynn T.
Krift, Frederick A., II
Kruger, Paul M.
Krum, Duane
Krumholz, Kenneth A
Kruse, Peter W.
Kucinski, Henry J., Jr.
Kuentz, Alan S.
Kuginskie, Robert
Kummert, William C.
Kundts, John H.
Kuntz, William D.
Kunz, Lawrence G.
Kuppe, Stephen J.
Kutys, John V., Jr.
Lacy, Olen G., Jr.
Ladd, Ronald L.
Laforce, Thomas W.
Lahren, Jack W.
Lakatos, Ronald S.
Lambright, Ralph E.
Lame, Philip C.
Landers, Jerome C.
Landua, James R.
Laney, Jack T.
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Lanoux, Steven M.
Laplace, Edwin F.
Lapointe, Leslie D.
Larock, Robert E.
Larsen, Samuel H.
Latham, James W.
Latourrette, John A.
Lattig, Glenn D.
Lauer, Joseph R., Jr.
Lavallee, William L.
Lawson, Dale B.
Laz, William J., Jr.
Leaman, Stephen J.
Ledbetter, Robert L., III
Lehre, Edward J.
Leleux, Wayne J.
Lemke, Robert J.
Lemrow, Craig M.
Leonard, Ronald O.
Lessmann, Ronald P.
Lester, Roderick B.
Lesueur, John H., Jr.
Letkeman, Michael B.
Lettieri, Michael F.
Leverich, Wesley J.
Lewis, Billy L.
Lewis, Garry L.
Lewis, John M., II
Lewis, Mark A.
Lewis, Thomas E.
Lex, Thomas J.
Lieberman, Stephen L.
Liebschner, Douglas V.
Liles, John U., Sr.
Lilje, James J.
Lilliendahl, Alfred S.
Lilly, Creighton D., Jr.
Lind, Stephen M.
Lineman, John J.
Lines, David F.
Lipscy, Gordon E.
Little, Edward L., Jr.
Littlejohn, Harvey W.
Llewellyn, Timothy W.
Lochner, Dan H.
Locke, John S.
Lockhart, Stanley D.
Lockyer, William K.
Lofgren, Norman A.
Logan, Robert J.
Lohmeyer, Lonnie F.
Lomax, Tarrant H.
Long, Richard W.
Long, Robert F., Jr.
Longaker, Chester C.
Looft, Vincent F.
Lops, Michael T.
Lorkowski, James J.
Lortz, Paul C.
Lounge, John M.
Lounsberry, Freddie P.
Lowe, Douglas T.
Lowry, James H.
Ludwig, Arthur W.
Ludwig, Eric W.
Lukens, Larry A.
Lumsden, David M.
Lund, Vern E.
Lunde, Walter A., Jr.
Lung, David
Lyles, Richard I., III
Lynn, Freddie L., Jr.
Lynn, Warren D.
Lynskey, Paul C.
Lyons, Edward A.
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MacDonald, Joseph M.
MacDonald, Joseph B.
MacDougall, Joseph S.
Mackey, William A., Jr.
Maddux, Richard G.
Maggi, John C.
Magyar, David J.
Maher, David B., Jr.
Mailho, Ronald J.
Malachoski, Theodore S., Jr.
Maley, John P.
Malone, Michael J.
Maloof, James M.
Mangapit, Conrado, Jr.
Manning, Michael P.
Mansfield, Robert D.
Markley, Douglas G.
Marquis, Richard L.
Marsh, Paul A.
Marshall, John J.
Marshall, John R.
Marshall, Steven A.
Martin, Frederick K.
Martin, Jack E.
Martin, James W.
Martin, Jay H.
Martin, Peter W.
Martini, Larry S.
Marzullo, Raymond L.
Mascari, Guy T.
Masica, John M.
Masters, Gregory R.
Matchette, Eric E., III
Matetich, Michael G.
Mather, George W.
Mathis, Barry J.
Mathison, Neil G.
Mauer, Heinz G.
Maxwell, George G.
Maxwell, James H.
Maxwell, Stephen H.
May, Albert L.
Mayer, Scott H.
Mayes, Larry J.
Mayfield, Paul K.
Maynard, Hamilton K.
Mayo, Robert E.
McAllister, Allan D.
McAllister, Edward C.
McAllister, Paul A.
McBee, Lawrence L., Jr.
McCauley, William C.
McCauley, William P.
McClain, Calvin P., Jr.
McClain, William C., Jr.
McClellan, Malcolm W., Jr.
McClung, Roger W.
McConnell, Steven G.
McCullar, Edward T.
McCullough, David G.
McCullough, James J.
McCullough, Francis H., III
McCumber, Leonard D., Jr.
McCune, Michael O.
McDermott, John J.
McDermott, Thomas E., III
McDevitt, Robert J.
McDonald, John A., Jr.
McDonough, Martin P., Jr.
McDowell, Tommy G.
McEwen, Gary B.
McFillin, James F., Jr.
McGee, Amos A., Jr.
McGee, Willie E., Jr.
McGill, Robert G.
McGoey, William B., Jr.
McGovern, James F.
McGrath, Joseph W.
McHenry, Stephen W.
McInchok, George S., Jr.
McInnis, John G.
McIntosh, John M., Jr.
McKaige, George T., Jr.
McKean, Thomas A.
McKeldin, Charles E., Jr.
McKenzie, Allen G.
McKeown, Charles H.
McKinney, Dana B.
McKown, Andrew F.
McLaughlin, Peter C.
McLean, Owen D.
McLintock, David L.
McMahon, Edwin H., Jr.
McManuis, Charles M.
McMurry, William S.
McNamara, Joseph L.
McNamara, Michael T.
McNeil, Maurice M., Jr.
McNeil, Oscar N., Jr.
McPherson, David A.
McStay, James W.
McTigue, James J.
Mead, Howard W., III
Medford, William R.
Meeker, Paul R.
Mees, William N.
Meihaus, Harry E., Jr.
Melchioris, Charles J., Jr.
Meldrum, William G.
Melton, Joseph E.
Mendenhall, Dennis I.
Mercer, Michael R.
Merrill, Dean R., Jr.
Merrow, Richard A.
Mertz, Albert G.
Meshier, William T.
Meteer, Thomas D.
Metzger, Charles, III
Meyer, Charles G.
Meyer, James R.
Michaelis, Frederick H., Jr.
Michalski, Conrad M.
Mickett, Thomas G.
Mihaly, George H., Jr.
Milam, Roger A.
Milchanowski, Michael J.
Miles, Barry K.
Miller, Andrew J., Jr.
Miller, David V.
Miller, James P.
Miller, John H.
Miller, John M.
Miller, John P.
Miller, Michael L.
Miller, Richard S., Jr.
Miller, Robert F.
Miller, Robert W., Jr.
Miller, Roger L.
Miller, Steven W.
Miller, Thomas P.
Miller, William R.
Miller, William W.
Mills, Carl E.
Mills, Dawson A., Jr.
Milner, George M.
Mink, Charles E.
Minton, David S.
Misslin, Peter A.
Mitchell, John G.
Mitchell, Thomas W., Jr.
Mleziva, James M.
Mock, Jessie I., Jr.
Moeller, Robert L., Jr.
Moffit, James W., Jr.
Molloy, James W.
Monaghan, Charles E., Jr.
Monroe, William H.
Moore, George M.
Moore, Harry R., II
Moore, John J. C., II
Moore, Keith T.
Moore, Mitchell D.
Moore, Richard W.
Moore, Robert D.
Moore, Terry A.
Moore, Thomas R. I.
Moore, Wayne T.
Moore, Wesley H.
Moran, Gary W.
Moreland, James W., III

Morell, Christopher C.
Morgan, Leroy C.
Morgan, Michael Carter
Morgan, Michael Charles
Morgan, Newton H., Jr.
Morin, Paul R.
Morrell, Michael F.
Morris, Barry L.
Morris, Raymond J., Jr.
Morris, Stephen G.
Morrison, Thomas A.
Morrison, Theodore G.
Morse, Edgar L., III
Morzinski, Jerome A.
Moseley, Ronald P.
Moses, Orrin D.
Moses, William J. C.
Motta, Gerald A.
Moyer, Gordon S.
Mozino, Thomas P.
Mrowczynski, Ronald M.
Mueller, Ronald R.
Mueller, Stephen L.
Muir, Douglas F.
Mulderig, John F.
Mullica, William L.
Mullins, Alden F., Jr.
Mullins, Robert D.
Mulvaney, Michael E.
Munninghoff, Jay M.
Murach, Thomas P.
Murphy, Dennis M.
Murphy, Robert J., Jr.
Murzinski, Edward J.
Muth, Michael A.
Muzzo, Steven E.
Naeve, Jerry M.
Naset, Dwight E.
Nash, Donald H.
Nash, John D.
Nastro, Thomas R.
Nation, Charles W., Jr.
Navarro, Bradford V.
Nazaruk, Gregory M.
Neale, David A.
Neighbors, Earnest L., III
Nelson, Gary S.
Nelson, Irwin H.
Nelson, Richard J.
Nesbitt, Charles D.
Neumann, Robert R.
New, Millard W., Jr.
Newman, Michael S.
Newton, John W.
Neylon, Paul M.
Nichols, Hartwig J.
Niebruegge, Edward L., Jr.
Nifontoff, Gerald K.
Ningen, Russell K., Jr.
Nissen, William J.
Nolan, Terry R.
Noland, David J.
Noll, Richard F.
Noll, Robert B.
Norconk, James J., Jr.
Norton, Chad E.
Oberender, Paul D.
O'Brien, John M.
O'Connor, Thomas N.
Odegard, Ronald S.
O'Donnell, Gerald J.
O'Donnell, Robert B.
Offner, Alan L.
O'Hara, Stephen P.
Ohlinger, John F.
O'Leary, Michael S.
Oliver, Richard E.
Oliver, Timothy W.
Olsen, Olav V.
O'Meara, John, Jr.
O'Neal, Barry W.
O'Neil, Edward J.
O'Neil, Harry F., Jr.
O'Neill, Richard P.
Oosterman, Carl H.
Orfgen, Lynn C.
O'Rourke, Brian
Ott, Robert E.
Otto, Richard A. F.
Overbeck, Gregg R.
Overbeck, Gary J.
Overheim, David C.
Owens, Roger L.
Packard, Michael J.
Paddock, James R.
Padgett, John B., III
Page, George K., III
Paloma, James F.
Papineau, Paul W.
Pardee, James D.
Parham, Stephen J.
Parker, Walter J., Jr.
Parr, John M.
Parsons, Clarence L.
Parsons, David W.
Patch, Stanley J., Jr.
Pattison, James W.
Pawlowski, Stanley W.
Payne, Gary E.
Payne, Michael A.
Payte, David G.
Pearce, Robert T., Jr.
Peck, Robert S.
Pehl, Charles E.
Pell, John K.
Pellegrino, Richard L.
Penney, Kenneth B.
Perkins, Richard K.
Person, Bryan L.
Peterman, John J., III
Petersen, Karl M.
Peterson, Charles C.
Peterson, Lloyd W.
Petruska, Andrew M., III
Patykowski, Jerome L.
Peverill, Ronald L.
Phelps, James L.
Phillips, Landon B., Jr.
Phillips, Robert G., Jr.
Phillips, Robert W., Jr.
Phillips, Thomas L.
Pianetta, John B., Jr.
Piccolo, John A.
Picquet, Roger T.
Pieragostini, Karl K.
Pierce, Richard D.
Pike, Hal W.
Piland, Monroe G., III
Pillittere, Robert G.
Pinney, John H.
Piro, Lawrence C.
Pitman, Carrol A.
Pitman, Ronald L.
Pitney, John C.
Pittet, Leroy T.
Plank, Dennis W.
Plante, Martin E.
Platt, Edwin A.
Player, Adrian G.
Plehal, James B.
Plesser, Kenneth T.
Plett, John R.
Ploss, Richard S.
Plummer, Rudy E.
Poirier, William P.
Pole, Michael W.
Poleski, David A.
Poliakon, Joseph A., Jr.
Porter, Paul H.
Porter, Ronald D.
Posey, Charles F.
Potten, Milton E., Jr.
Potter, Miles B.
Potter, Wilburn M.
Potts, Edwin S.
Powderly, Robert G.
Powell, David L.
Powers, John M.
Prairie, John E.
Pratt, Phillip A.
Price, Gene H.
Price, Walter W., III
Pridmore, Alexander R.
Procopio, Eugene M., Jr.
Proses, William A.
Prosser, David L.
Prout, George M.
Provencal, Clifford E., Jr.
Provencal, John E.
Provencher, Michael J.
Prudom, Gerald H.
Prusiecki, David E.
Puckett, Richard F.
Pulbratek, James E.
Puncke, Frederick D., Jr.
Quennoz, Stephen M.
Quillinan, Gregory F.
Quinn, Donald L.
Quinn, Stephen E.
Raber, David M.
Rachmiel, Marshall E.
Rachor, Robert L., Jr.
Rainsberger, David B.
Rappaport, Gerald P.
Rasmus, Alfred A.
Rasmussen, Nicholas R.
Rausch, John D.
Rawlings, David G.
Ray, David C.
Raynes, Gerald E.
Reading, Leslie J.
Reaghard, James A.
Reaves, Keith C.
Rebeske, John J., III
Reeber, Roy W.
Reece, Richard R.
Reed, William C.
Reedy, Ronald E.
Reeve, Thomas B., Jr.
Regula, Stanley J., Jr.
Reid, James A.
Reid, Robert G., Jr.
Reid, William K.
Reinauer, Robert M.
Renfree, Peter R.
Renfroe, John M., Jr.
Renuart, Robert F.
Resinger, Stanley R.
Reusche, Robert L., II
Rhine, Loran E.
Rhoades, Richard J.
Rhoades, William A.
Rhodes, George S.
Richards, Nicholas L.
Richards, Richard N.
Richards, Thomas R.
Ridenhour, Calvin B.
Riera, Robert E., Jr.
Rieth, Joseph C., Jr.
Rigler, Ross A.
Riley, David G.
Riley, Denis G.
Riley, Stephen E.
Rishel, Michael P.
Rist, Donald F.
Ritter, Robert B.
Ritzert, Bernard U., Jr.
Robbins, Richard A.
Roberts, Charles C., III
Roberts, Francis A.
Roberts, Gary R.
Robinson, William L.
Roe, John A.
Roeder, John A.
Roemer, John J., Jr.
Rogalski, William W., Jr.
Roggow, Ralph R.
Rohland, Thomas R.
Roosa, Roger K.
Rose, Carlos D.
Rose, David O.
Ross, Paul F.
Rossiter, William K.
Rotzler, Frederic
Rounds, Frederic N.
Rounds, Terrence W.
Roy, Michael G.
Rubano, Louis F.
Ruddock, David H.
Rufner, Richard K.
Rumney, Dion W.
Runde, James A.
Runstrom, Karl J.
Rurak, Zbigniew T.
Rush, Charles P.
Rush, James C.
Russell, Robert C., Jr.
Rutherford, David L.
Ryan, Douglas
Ryan, Franklin T.
Ryan, Larry W.
Ryan, Michael C.
Rudel, Ronald E.
Sabatini, Edward G.
Sadler, George R.
Sadler, William H., III
Saffell, Charles R., Jr.
Salewske, Michael R.
Saltzman, Marc P.
Sams, John L.
Sanborn, Lee O.
Sanborn, Paul M.
Sanderson, Robert J.
Sanger, Paul R.
Santoro, Kenneth M.
Santos, Valentino
Sara, George S.
Saraniero, Michael A.
Satak, William R.
Sattler, Martin G.
Sauls, William C., Jr.
Saunders, Gerald J.
Saunders, Michael J.
Sauntry, Thomas F.
Scanlon, Charles C., II
Scanlon, Edward C., Jr
Schadegg, Lawrence M.
Schaefer, Charles A.
Schaefer, Edward M.
Schafer, Richard A.
Schardein, John M.
Scharnus, Robert M.
Scherf, Paul H., Jr.
Schiffelbian, Alexander L.
Schmidt, Karl F., Jr.
Schmidt, William B.
Schmitt, Michael K.
Schmitt, Paul F.
Schneider, Jeremy T.
Scholes, Norman F.
Schram, Robert T.
Schreck, William A., Jr.
Schroeder, Kurtis D.
Schroeder, Rodney C.
Schroeder, William III
Schultz, Douglas C., Jr.
Schwaebe, Michael J.
Schwarzenbach, William
Schweers, Kenneth A.
Schwier, Edward G.
Scofield, Roger L.
Scott, Donald M.
Scott, Gary H.
Scott, William B., Jr.
Scrapper, John C.
Scully, John J.
Searles, Richard A.
Sears, David L.
Secrest, James R.
Sedgley, Ronald M.
Sellman, Michael B.
Seltmann, Kenneth W.
Serafine, Gene C.
Serotta, Michael D.
Settle, Peter M.
Seymour, Hubert E., III
Seymour, James D.
Shafer, Kenneth W.
Shafer, Paul L.
Shaff, Terry E.
Shaffar, James L.
Shake, Douglas W.
Shannon, Frank X., III
Shauberger, James E.
Shaughnessy, Daniel
Shaver, Edward F.
Shaw, Robert L.
Shelby, Stephen L.
Sheldon, Michael M.
Shelton, Thomas L.
Shepherd, Douglas R.
Sheppard, George M.
Sherwood, Edward J.
Shields, Peter K.
Shinovich, John R., Jr.
Shirk, Gary H.
Shirley, Charles C., Jr.
Shirley, Edwin R.
Shonyo, Michael J.
Shumlas, Stephen S.
Shustak, Stanley A., Jr.
Shuster, Don B., Jr.
Sievert, Charles M., Jr.
Sigler, William F.
Silverman, George M.
Simmons, Eric C.
Simril, Robert T.
Siri, Francis M.
Sjostrom Nils A.
Skelton, David L.
Skinner, Jimmie D.
Skrief, John N.
Slaight, James B., IV
Slates, Terrence P.
Sloan, Patrick B.
Slocum, Winfield S. IV
Slonecker, Michael L.
Slover, William S.
Small, James M.
Small, Warren E.
Smart, Jonathan
Smith, Alan C.
Smith, Baker A.
Smith, Charles A.
Smith, Daniel E.
Smith, Dirk M.
Smith Gary L.
Smith, Gregory W.
Smith, James C., III
Smith, John H.
Smith, Judson L., Jr.
Smith, Michael S.
Smith, Michael J.
Smith, Michael T.
Smith, Peter M.
Smith, Peter B.
Smith, Robert W., Jr.
Smith, Roger W.
Smith, Roy C.
Smith, Samuel P.
Smith, Steven G.
Smith, Thomas H., Jr.
Smith Tracy R.
Sniffin, Edward M.
Snoddy, Donald E.
Snow, John D.
Snyder, Charles F., III
Snyder, Jack R.
Solberg, James L.
Solin, John J.
Songe, Robert A.
Souza, Philip E., III
Spahr, Bradley
Sparger, Jerry R.
Sparrow, William C., Jr.
Spath, Robert L.
Specht, Brian L.
Speer, James W.
Spelman, George C., Jr.
Sprague, Monroe A.
Sprigg, Robert G.
Spriggs, David A.
Springer, Gregory V.
Stallman, Robert M.
Stanfield, Wesley C.
Stanley, Timothy D.
Stansel, Michael J.
Stanton, Bruce W.
Stark, Donald R.
Stebbings, Stuart K.
Steffens, Thomas W.
Stenstrom, Frank E.
Stepien, John Z.
Stepp, Kenneth S.
Stertzbach, Kim
Steshko, William N., Jr.
Stevens, Guy M., Jr.
Stevens, Jack M., Jr.
Stevens, James D.
Stevens, Robert J.
Stewart, Gorden G.
Stewart, Robert E.
Stewart, Timothy L.
Stewart, William D., Jr.
Stieglitz, William H.
Stiff, Peter E.
Stockdale, John J.
Stockton, Jackson A., Jr.
Stoll, Ralph H.
Stone, Daniel
Stoss, Robert F.
Stout, William R.
Stow, Richard L.
St. Peter, Daniel J.
Strand, Michael G.
Strauss, John H.
Stroop, Patrick A.
Suberly, Roy H., Jr.
Such, Carliss R.
Suddeth, James H., Jr.
Sujdak, Edward J., Jr.
Sullivan, John D.
Sullivan, Larry M.
Sullivan, Patrick D.
Sullivan, Richard D.
Sullivan, Timothy J.
Sumner, Dallas B.
Surpless, Henry A.
Susong, Carl F.
Swain, Philip F.
Swain, Robert L.
Swanson, James E.
Swanson, Paul A.
Swanson, Perry W.
Swartling, David D.
Swedberg, Carl P.
Sweet, James F.
Swick, Paul D.
Swingle, Howard D.
Sykes, William G.
Szender, Stephen J.
Tait, William A.
Talmadge, Keith R.
Tankersley, Carl M.
Tate, Michael S.
Taylor, Jimmy B.
Taylor, Moses, Jr.
Taylor, Robert B.
Taylor, William H.
Teesdale, Walter M.
Tehan, Terrance N.
Tempel, Billie L.
Terrell, Lyndon T.
Terry, Joel R.
Terwilliger, George P.
Tevebaugh, Kenneth W., II
Teves, Arthur G.
Thacker, Vester I., Jr.
Thatcher, Roland C., III
Thomas, James W.
Thomas, Scott P.
Thomas, William C.
Thompson, Bruce E.
Thompson, Charles D.
Thompson, Robert E.
Thompson, Thomas L., Jr.
Thomson, Glenn D.
Thomson, Lawrence S.
Tierney, Denis C.
Tieszen, Dwayne A.

Tinsley, Steven G.
Tippett, Donald D.
Tipton, Benjamin W., III
Tipton, Charles F.
Titcomb, Edmund B., Jr.
Titunik, Steven E.
Todd, William T.
Todd, William L.
Tolhurst, Robert A., Jr.
Tomanelli, James R.
Tonden, Thomas P.
Toth, Barry D.
Tovrea, George W.
Tower, Dennis R.
Townsend, David A.
Townsend, John H.
Townsend, Lawrence W.
Townsend, Thomas G.
Trask, Gordon W., II
Tredway, Robert J.
Trever, James E.
Trimble, David C., Jr.
Troup, David P.
Truman, Daniel S.
Tsamtsis, Paul C.
Tschaepe, Kurt O. E.
Tubbs, Ace L., Jr.
Tuller, James A.
Tulley, James H., Jr.
Turner, Archie A., III
Turner, Douglas K.
Turner, Harry G.
Turner, John T., II
Turnipseed, James L., Jr.
Twogood, Frederick J.
Umbarger, Ray M.
Unhjem, Mark A.
Updike, Samuel D.
Urmston, John D., Jr.
Utegaard, Thomas E.
Valles, Claude
Valva, Vincent J., Jr.
VanBrunt, Tommy H.
VanBuskirk, Dennis J.
VanNostrand, Clark R.
VanSant, Andrew G.
VanVlack, Charles H.
VanVooren, William P.
VanWinkle, Julian T.
Vaughan, Steven A.
VeHorn, Roger P.
Veltman, Richard J.
Vernon, Carl W.
Verrengia, Thomas J.
Vetter, David G.
Vining, Raymond D.
Vizzini, Frank A., Jr.
Vogt, Gorge Y., Jr.
Vollaro, Richard G.
Vrbancic, Joseph B.
Waddell, John W.
Waite, Michael P.
Waitt, Edward J., Jr.
Waldmann, Daniel J.
Walker, Henry G.
Walker, William H., III
Walklet, Donn C.
Wall, Laurence L.
Wall, Richard F.
Wallace, Edward G.
Wallace, James Y., III
Wallace, John D.
Wallace, Michael J.
Wallfred, James G.
Walsh, Edward J., Jr.
Walsh, Nicolas E.
Walsh, Patrick S.
Walsh, Robert W.
Walt, Thomas D.
Walters, James M.
Walther, Frank O. III
Walton, Robert G.
Walton, Stewart W.
Wandishin, Thomas J.
Wanner, Terry S.
Ward, Glement H.
Ward, James G.
Ward, James C.
Warner, Mark A.
Warner, Thomas G.
Warren, David F.
Warren, Richard G.
Warrenfells, James C.
Watkins, John M.
Watrud, Timothy F.
Watson, James F.
Watson, John W.
Watson, Michael J.
Watson, Thomas R.
Watters, John F., Jr.
Webb, John R.
Webber, James F.
Weber, Donald J.
Weber, Robin Y.
Wein, Michael C.
Weir, Michael W.
Weisberg, Neal W.
Weiss, Douglas L.
Weller, Ronald E.
Welling, Ronald L.
Wellman, Albert L., III
Wells, Robert R.
Welsh, Patrick T.
Welsh, Rodney R.
Wenchel, George F.
Wendt, Alvin E.
Wenzell, Albert B., Jr.
Westerlund, Albert F., Jr.
Westray, Richard H.
Whaley, Glenn R.
Whall, David G.
Wharton, Thomas P., Jr.
Wheeler, William J.
Whitaker, Robert A.
Whitby, Alan J.
White, John S.
White, Nestor D.
Whiteway, Roger N.
Whitman, Marland H., Jr.
Whitney, David M.
Whitney, Gerald A.
Wienke, Charles R.
Wiessler, Joel M.
Wiggett, Scott G.
Wikle, Kenneth G.
Wilbricht, Thomas E.
Wilcox, Donald E., Jr.
Wildridge, George A., Jr.
Wilkes, Thomas J., Jr.
Wilkinson, Joe F., Jr.
Wilkinson, John F., Jr.
Willey, James F.
Williams, Harold A.
Williams, James S.
Williams, James T.
Williams, John F.
Williams, Thomas R.
Williams, Wallace B., Jr.
Willis, Russell L., Jr.
Williscroft, Robert G.
Willoughby, Hugh E.
Wilson, David P.
Wilson, Frank R.
Wilson, Freddie R.
Wilson, George M.
Wilson, James T.
Wilson, Jay R.
Wilson, John R.
Wilson, John W.
Wilson, Larry D.
Wilson, Robert L., Jr.
Wilson, Samuel E., III
Wilson, William R.
Wilt, Donald A.
Witchell, Donald L., Jr.
Windeguth, Richard B.
Winstead, Cecil J., Jr.
Winters, Douglas E.
Winters, Keith A.
Witowski, Gerald T.
Wojciechowski, Thomas J.
Wolf, George J., Jr.
Wolf, Richard A.
Wollaeger, David P.
Wood, William B., Jr.
Woodruff, Berryman E., III
Woods, John G.
Woodworth, Richard A.
Wooley, Millard J.
Woomer, Charles W., III
Worley, Cris A.
Worley, Michael J.
Wright, Myles E.
Wright, William E.
Wrobel, Richard A.
Wulf, Michael E.
Wyld, Thomas C.
Wyluda, Stanley L., Jr.
Yarborough, Don C.
Yarham, Larry P.
Yatras, Dennis A.
Yockel, Donald R.
Yoder, Richard L.
Yordan, Carlos M., Jr.
Young, Dan R.
Young, John R.
Young, Richard A.
Young, Terence K.
Young, William D.
Younker, Michael E.
Yoxtheimer, John D.
Yudes, Alfred E., Jr.
Zenner, Mark E.
Zerbian, David A.
Zinny, Glenn M.
Zinn, Dain R.
Zogby, Joseph A.
Zorbach, Gregory M.
Zuidema, Peter B.
Zukas, Anton G.
Zurinski, Donald J.
Akerman, Margo L.
Albers, Sandra L.
Anderson, Mary F.
Boynton, Johnnie M.
Bradley, Billie J.
Braswell, Kathleen C.
Brown, Cecilia M.
Bruton, Kathryn J.
Butler, Shannon R.
Carranza, Linda J.
Childers, Joan E.
Dehoff, Rachelle A.
Dersch, Lynnette R.
Dick, Kristen A.
Divizio, Janet M.
Dowd, Peggy R.
Dugan, Kathleen M.
Dustin, Deborah L.
Escott, Sharon L.
Fisher, Mary M.
Funkhouser, Lenore M.
Gailey, Patricia M.
Giefer, Carolyn S.
Godel, Patricia B.
Hagerman, Dianne M.
Hawkes, Nancy J.
Heaxt, Sandra E.
Herbst, Michael A.
Holloway, Kathleen G.
Jarosz, Elizabeth A. M.
Jenkins, Carol A.
Johnson, Faith E.
Johnson, Marsha A.
Johnson, Martha S.
Karr, Elizabeth M.
Katschke, Mary L.
Keers, Paula M.
Kennedy, Sandra K.
Kohlmeyer, Jean L.
Kuhlman, Jeanne E.
Lillo, Sandra S.
Lloyd, Connie L.
Lovejoy, Kandiss A.
Manning, Lorraine F.
Marzola, Antoniette
Matheson, Eleanor S.
May, Nola J.
McAnallen, Shirley J.
McCasland, Mary A.
McCulloch, Bonnie M.
McGalin, Janice G.
McGalin, Judith F.
Metcalf, Wendy J.
Mitchell, Sharon I.
Mohr, April D.
Moore, Marilyn J.
Moriarty, Ann J.
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Morton, Janice C.
Moyher, Linda L.
Murray, Susan E.
Newill, Patricia E.
O'Malley, Margaret M.
Oskam, Margaretha I.
Perry, Earlyn F.
Peterson, Janet M.
Pinkney, Sandra L.
Quinn, Kathleen A.
Ratz, Trudi
Regan, Sandra J.
Reynolds, Sharon A.
Rifenberg, Louise E.
Roberts, Elaine N.
Rodes, Joann
Rosenthal, Nikki L.
Rudd, Pamela S.
Sanders, Jo A.
Schafer, Bernadette H.
Sedlak, Patricia F.
Sherfey, Faith L.
Shie, Barbara F.
Skalisky, Mary V.
Smith, Helen E.
Stagg, Frances L.
Stevens, Marjory M.
Stewart, Jane L.
Tate, Lynn D.
Tedrow, Kaye M.
Tesoriero, Rita
Theall, Pauline J.
Tuite, Patricia A.
Waller, Rosemary L.
Weber, Betty J.
Weishaar, Pamela J.
Whitehead, Martha L.
Winters, Margaret L.
Wurmser, Caroline M.
Youngstrom, Judith J.
Ziegler, Catherine
Zuger, Margaret A.

SUPPLY CORPS

Aaronson, Brian D.
Ahrens, Robert A.
Allen, Bruce L.
Anderson, Robert L.
Andrew, Michael R.
Anthony, Henry W., III
Asselin, Andre S.
Avery, James A.
Baker, Mark A.
Barnes, Benjamin L.
Barnes, Jerry D.
Basso, Joseph M.
Battle, Charles L.
Boyarski, John R.
Brent, Robert S.
Burke, Dennis P.
Burns, Granville W.
Byard, Robert D.
Byers, Terrance L.
Camp, David G.
Carbone, James, Jr.
Capenter, Francis W., Jr.
Carty, Arthur G., II
Caskey, Carl A.
Caspari, John A.
Chrisman, Calvin L.
Cobb, Francis R.
Colin, Dennis F.
Condon, John A.
Cumesty, Edward G.
Cummings, Donald L.
Deems, Nyal D.
Delhamer, James M., II
Dickey, Donald W.
Diller, Daniel H.
Eagan, Ewell E. T., Jr.
Edgemon, Jack L.
Elder, Jeffrey J.
Evans, James R.
Fagan, Lawrence J., Jr.
Fassnacht, David G.
Fitzpatrick, Philip A., III
Flick, Arthur B.
Gallarno, Richard
Gannon, Thomas C.
Garvin, James L.
Geary, Norcross D.
Gent, Carl D.
Gerber, Ronald N.
Giuliani, Francis L.
Gorman, Howard P., Jr.
Goss, Ardin F.
Gould, Jeffrey P.
Goulet, Gerard R.
Griffin, Roland L.
Griswold, Raymond B.
Haas, Robert T.
Haddon, Michael J.
Hall, Michael R.
Hall, Richard P.
Harris, Craig S.
Harris, John W.
Hartman, John M.
Hawxhurst, Jack M.
Hayward, Daniel S.
Heikkila, James L.
Hempson, Donald A., Jr.
Henderson, Roger H.
Hetherington, Jerry F.
Hirsch, Arthur F.
Horner, Lawson C., III
Howze, Gary W.
Hrabosky, Bryan, Jr.
Hudock, Steven A.
Ian, Michael J.
Ishman, Michael D.
Ison, George S.
Jacobson, Martin D.
Jaques, Jeffrey W.
Joyce, James J., Jr.
Kakesako, Edwin M.
Kelley, Kevin P.
Kiefer, Roy W.
Kirby, Kevin B.
Kirkland, Edward F.
Klima, Richard D.
Knight, Robert C., Jr.
Koehler, Louis F., III
Kramer, Keith S.
Lane, Alan L.
Law, Robert F.
Lennon, Michael P.
Leonard, Robert P.
Lieberman, Jay E.
Lindsey, Larry A.
Lippert, Keith W.
Loshbaugh, Richard A.
Maier, Paul V.
Martin, John W., II
Mason, Edward F.
McQueen, Thomas W.
McWherter, Marvin E.
Metz, Roger A.
Mizejewski, Charles J., Jr.
Monnin, William C.
Montgomery, John B.
Morrison, David T.
Murphy, Robert D.
Murray, William M.
Musser, William A.
Neely, Terry J.
O'Connor, William H.
Oshima, Alan M.
Parry, Dennis S.
Patrick, Wayne M.
Paul, Robert
Perry, Keith M.
Peterson, Philip A.
Pierce, Randall L.
Pugh, Harry M., Jr.
Pulliam, Stephen C.
Quandt, Norman A.
Quinn, Richard A.
Ramsey, Brenton L.
Randall, Richard P.
Rankin, John H.
Rech, James H.
Renard, Geoffrey K.
Rickards, John D.
Rieve, Roy C.
Roby, Jeffrey P.
Rogers, Robert W.
Ruth, Lloyd D., Jr.
Schoenfeld, John D.
Schreiner, Phillip W.
Sellers, Benjamin R.
Shubert, Tommy L.
Smonko, George M.
Solli, Richard E.
Spencer, Richard A.
Stein, John R.
Todd, Robert L.
Toft, Carl E.
Trainor, Michael B.
Twomey, Kevin M.
VanderSlice, Wayne J.
Walker, Wayne A.
Warner, Paul G.
Wathen, Theodore M.
Watson, Michael A.
Webster, Bruce D.
Weigle, John M.
White, Thomas M.
Williamson, William R.
Wilund, William P.
Woodward, George G., Jr.
Zychowski, Thaddeus F.

CIVIL ENGINEER CORPS

Allen, Charles E.
Ambridge, Robert R.
Ashman, David S.
Bane, Purvis W., Jr.
Braddock, Robert L., Jr.
Bussey, Dennis R.
Butler, Jerry B.
Collins, John P.
Congdon, Douglas E.
Corsano, Arthur
Duke, Jonathan B.
Erickson, Stephen F.
Fincher, Thomas O.
Francis, William P.
Hagedorn, Gregg D.
Holen, Douglas J.
Hong, Ik P.
House, Thomas F., Jr.
Hudson, Ronald R.
Johnson, James K.
Jukkola, Lloyd A.
Kaleba, Frank J.
Keibler, Gary A.
Larsen, Thomas A.
Leineweber, Michael J.
Lemke, Randall L.
McKay, Joseph E.
Meyer, Robert S.
Neibert, Jerry S.
Nichols, Thomas B.
O'Hearn, John P., Jr.
Olsen, Thomas G.
Pollard, Charles H., Jr.
Rushing, Ernest C., Jr.
Ryder, Alan G.
Schmidt, Roger J.

Seaman, Michael J.
Sherbak, Patrick M.
Siefke, Robert W.
Spencer, John E.
Strongoski, Larry C.
Tzavaras, George N.
Way, Charles T.
Wowak, William E.

MEDICAL SERVICE CORPS

Adams, Robert W.
Baker, Charles W.
Baltimore, Daniel L.
Gerhard, John C., III
Logan, Robert S.
Patee, Jerry C.
Petersen, Henrik V.
Petroski, Joseph W.
Phillips, Harold E.
Prodanovich, Milo J.
Rittmeyer, Terry L.
Sandall, Vernon P.
Stefanyshyn, Andrew A.
Wilson, Don D.

NURSE CORPS

Burns, Jesse P., Jr.
Cisneros, Thomasa L.
Parrotte, David F.
Poland, Edith A.
Reiter, Larry L.
Ryder, Dorothy V.
Sant, Jeanne P.
Wright, Joe A.

Lt. Com. Wayne O. Buck, Medical Corps, U.S. Naval Reserve, for temporary promotion to the grade of commander in the Medical Corps, subject to qualification therefor as provided by law.

Lt. Thomas G. Cook, Medical Corps, U.S. Navy, for temporary promotion to the grade of lieutenant commander in the Medical Corps, subject to qualification therefor as provided by law.

Lt. Jeffery P. Allen, Dental Corps, United States Navy, for temporary promotion to the grade of lieutenant commander in the Dental Corps, subject to qualification therefor as provided by law.

Lt. (junior grade) Jerome L. Arbiter, U.S. Navy, for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law.

Lt. (junior grade) Leroy E. Hays, U.S. Navy, for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law.

Lt. (junior grade) Ronald K. Kennedy, Civil Engineer Corps, U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade) in the Civil Engineer Corps, subject to qualification therefor as provided by law.

The following-named officers for permanent promotion to the grade of lieutenant (junior grade) in the U.S. Navy, subject to qualification therefor as provided by law:

Arnold, John S.
Bardsley, George P.
Bertsch, Roger B.
Bielicki, Dennis J.
Cutler, Thomas J.
Dailey, Eleanor C.
Downing, Gayle M.
Doyle, Edith E.
Dunn, Sharon L.
Grove, Dale M.
Hanna, Norman W., III
Henley, Sally S.
Jenks, Frank W., III
Moczygemba, Elaine D.
Pompey, Charles S.
Ricarte, Heloise B.
Rodes, George T.
Schwoerer, Barry F.
Sherrange, Daniel T.
Tolini, Dorothy A.
Wayman, Charles L.
Weber, Sandra L.

Lt. Comdr. Charles R. Burke, U.S. Navy, for transfer to and appointment in the Judge Advocate General's Corps of the Navy in the permanent grade of lieutenant and the temporary grade of lieutenant commander.

Lt. Comdr. Ronald E. Erchul, U.S. Navy, for transfer to and appointment in the Civil Engineer Corps of the Navy in the permanent grade of lieutenant and the temporary grade of lieutenant commander.

The following-named officers of the U.S. Navy for transfer to and appointment in the Judge Advocate General's Corps of the Navy in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant:

Barr, Philip C.
Keithly, Roger M., Jr.
Neuman, Kermit W., Jr.
Reeber, Christopher J.
Wells, George L.
Wylie, Thomas L.

The following-named officers of the U.S. Navy for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant:

Herbst, Howard P.
Hoffman, Joel J.
Martini, Larry S.
Utter, James H.

The following-named officers of the U.S. Navy for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of ensign:

Basilio, Anthony C., Jr.
Bennett, Robert D.
Bohannon, Donald C.
Bohm, Dwight K.
Cochran, Charles T.
Hastings, Richard G., III
Havey, Patrick J.
Jenkins, Walter W.
Kawakami, Clarke K.
Ketts, Robert L.
Klingelberger, Carl E.
Madge, Norman W.
Merrell, Thomas O.
Pearce, John F., III
Smith, Kerry J.
Spratlen, Nicholas L.
Tempesta, Edward C.
Wilson, Paul A.
Younker, Michael E.
Zurinski, Donald J.

Lt. Lowell R. Norris, U.S. Navy, for transfer to and appointment in the Civil Engineer Corps of the Navy in the permanent grade of lieutenant (junior grade) and the temporary grade of lieutenant.

The following-named officers of the U.S. Navy for transfer to and appointment in the Civil Engineer Corps in the permanent grade of ensign:

Borowski, Casimir J., Jr.
Bruckner, William L., Jr.
Johnson, Michael R.
Mink, Charles E.
Molineaux, Ian J.
Shepard, David B.

The following-named officers for temporary promotion to the grade of lieutenant in the Supply Corps of the Navy, subject to qualification therefor as provided by law:

Basilio, Anthony C., Jr.
Bennett, Robert D.
Bohn, Dwight K.
Ketts, Robert L.
Younker, Michael E.
Zurinski, Donald J.

The following-named officers for temporary promotion to the grade of lieutenant (junior grade) in the line and staff corps of the Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Ahlers, Norbert A.
Akins, Olen C.
Anderson, "J" Quinton
Arion, Ellsworth E.
Ashworth, Robert A.
Aversano, Anthony J.
Bailey, Defort
Baldwin, Robert L.
Barclay, Ray F., Jr.
Barker, Harvey W.
Bartholomew, David L.
Bartke, Harold L.
Benning, Vale J.
Billick, Dan R.
Binion, John I., Jr.
Black, James D.
Blanchard, Gary F.
Bobo, Billy J.
Bobo, Harold
Bobo, Jerry L.
Boon, John E.
Borgmann, Frederick W.
Boyle, David J.
Braswell, Wallace E.
Brattain, Herbert K.
Brooks, Edgar T.
Brown, Richard A.
Brown, Robert E.
Carey, John D.
Caton, Robert N.
Chitwood, Orvis H., Jr.
Clabaugh, Ronald S.
Cloutier, Lawrence P., Jr.
Crain, Robert L., Jr.
Crowder, James D.
Cudia, David T.
Daniel, Jess M.
Deinhardt, John J.
DeKart, Donald F.
Delancey, James D.
Delanty, Donald J.
Deutsch, Joseph K.
Doehring, Robert F.
Donnellan, David F.
Dougherty, Thomas J.
Drier, Melvin F.
Driscoll, Richard F.
Driver, John E.
Edwards, Bernard D.
Edwards, Raymond L.
Emswiler, Robert B.
Enevoldsen, Jack
Eney, Neilson E., Jr.
Etten, Gary A.
Fetter, Norman L.
Fisher, Glen A.
Foss, Harry C., Jr.
Fridell, Robert A.
Fuller, Emil A.
Gates, Richard W.
Gepford, Richard D.
Germany, Charles J.
Goerg, Frederick C.
Gordon, Harold L.
Goss, Marlin E.
Graff, Clinton G., Jr.
Grimes, David A.
Haffner, Guy A.
Hagensick, John R.
Hale, Douglas A.
Hall, Richard W.
Haller, Bernard J.
Hambley, James G.
Harris, Thomas E.
Harry Robert M.
Haupt, Lloyd
Havenstein, Gene L.
Held, Rene
Heuchert, Richard H.
Hill, Robert W.
Hine, Jerry G.
Hobbs, Hurshel B., Jr.
Hollon, Maurice C.
Horsfall, William E.
Howard, Donald R.
Howard, James E., Jr.
Hoyt, William H.
Huffman, Karl H.
Husted, George G.
Irby, Eldon E.
Jackson, Robert B.
James, Bobby C.
Jensen, Gordon M.
John, Paul M.
Johnson, Thomas S., Jr.
Johnston, Darrell E.
Johnston, James E.
Johnston, Wilford P.
Jordan, Boykin B.
Kellum, William C., Jr.
Kenyon, Larry L.
Lawrence, James R.
Lechtenberg, Richard C.
Lentz, Joe B.
Lighthart, Lloyd W.
Locke, Gary W.
Long, Homer R.
Lopez, Clyde C.
Loranger, Richard G.
Lormor, Eugene H.
Lovejoy, Jay E.
Lowe, Walter R.
Lucero, Seferino
Lyon, Scott R.
Majchrowicz, Edward J.
Malone, Robert G.
Markle, Donald F.
Marsh, Robert D.
Marshall, Leo R.
Massetti, Ennio
Mathews, Carl L.
McCleer, James L.
McElroy, Fred C.
McGuire, David N.
Michielson, Dennis C.
Miller, Paul H.
Miller, Roy A.
Milligan, Donald R.
Mitchell, Elmer R.
Nassar, Albert N.
Nechvatal, Charles J.
Neste, Carl A.
New, Melvin R.
Nichols, Paul M.
Oehler, James C.
Olsen, Fredrick L.
Olson, John T., Jr.
Page, Alfred L.
Parsons, James F.
Partesius, John C.
Pelletier, Ronald W.
Pohl, Matthew J.
Popikas, Charles F.
Rakfeldt, Harry O.
Rand, Verl A.
Rawls, Robert S.
Reed, Frank G.
Reinoehl, Phillip W.
Richardson, Billy E.
Robertson, Bernard L., III
Rodgers, Carl T.
Rogge, John A.
Ross, Albert J., Jr.
Rudden, Francis A.
Ruth, Herbert M.
Salter, Jesse E.
Schaffer, Lawrence C., Jr.
Scheierman, Robert L.
Scheine, Murray
Scherzer, James D.
Schmidt, Curtis J.
Shaul, Michael C.
Skipper, John W.
Smith, Herbert M.
Smith, Kenneth D.
Smith, Kenton L.
Snyder, Ralph O.
Sparks, Howard F.
Spear, Earl J.
Spears, Tommie E.
Speh, Warren G.
Sronce, Frank T.
Stanek, David M.
Stewart, Lowell T.
Stiffler, James W.
Strickland, Leroy H.
Strong, Franklin E.
Stuck, James R.
Swanson, Raymond P.
Talbot, Ronald E.
Tanner, William E.
Tarter, Arlan G.
Terry, Robert J.
Thomason, William R.
Thompson, Robert M.
Tibbs, John W.
Treadway, Alton G.
Tudor, Tommy N.
Tuttle, Donald E.
Uptegrove, Edwin W.
VanHee, Richard C.
VanHoose, Ronald
Vettese, Anthony
Vick, Don A.
VilleMaire, Albert J.
Vsetecka, Leonard J.
Wade, Johnny B.
Walker, Arthur T.
Walter, Fredrick S.
Watson, Donald R., Jr.
Weaver, Sterrie L., Jr.
Welch, Leslie C., Jr.
Wenter, Gary E.
Wertz, Bruce N.
Whalen, Regis E.
Will, George F.
Wood, Ronal D.
Woods, Gerald B.
Wyatt, Thomas V.
Zoglmann, Paul S.

SUPPLY CORPS

Black, James L.
Bothe, James J.
Burbridge, Robert L.
Coats, Daniel M.
Cormier, Edward N., Jr.
Cubbedge, Carlon E.
Dowell, Billy R.
Farlow, Roger K.
Flahiff, Daniel E.
Loney, James E.
Lowdermilk, Richard F.
Pearrell, Larry W.
Ritzel, Charles J.
Siemers, Uwe
White, John P.

CIVIL ENGINEER CORPS

Becker, Raymond H.
Headrick, Jay C.
Hisey, Howard A.
Martin, Norman R.
Schraud, Henry F.

MEDICAL SERVICE CORPS

Arnold, Anthony R.
Berkley, Roy L.
Criscitiello, Joseph J.
Donohue, Edwin A.
Dumais, Gary W.
Dunaway, Floyd J.
Enright, Charles A.
Ferda, Robert
Hanrahan, James E.
Hardy, Frederick C.
Hora, Charles D.
Kraft, John E.
Marolf, Walter K.
Mitchell, Michael L.
Mumford, William M.
Surratt, Colonel O.
Terry, Lynn M.
Williams, Ralph T.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 27 (legislative day of April 25), 1972:

DEPARTMENT OF STATE

Curtis W. Tarr, of Virginia, to be Under Secretary of State for Coordinating Security Assistance Programs.

Joseph S. Farland, of West Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran.

Martin J. Hillenbrand, of Illinois, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Germany.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Jarold A. Kieffer, of Minnesota, to be an Assistant Administrator of the Agency for International Development.

EXTENSIONS OF REMARKS

THE 25TH ANNUAL DELMARVA CHICKEN FESTIVAL OPENS TODAY

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, April 27, 1972

Mr. BOGGS. Mr. President, the chicken industry today opens the festivities associated with the 25th annual Delmarva Chicken Festival.

This event annually focuses on Delmarva the interest of everyone who recognizes the importance the chicken industry has for the economy and the dinner table of all Americans.

The commercial broiler-fryer industry was begun nearly 50 years ago near Ocean View, Del. In recognition of this important fact, the first annual Delmarva Chicken Festival was organized in 1948.

Since that time, the Delmarva Chicken Festival has become an institution in the chicken business. It helps to demonstrate what a wholesome and inexpensive meal broiler and fryer chickens provide.

I would like to tell my colleagues something about the importance of the chicken industry to the economy of Delaware and our neighboring States on the Delmarva Peninsula, which is the center of the Nation's broiler industry.

Sussex County, Del., the place where the industry was founded, remains today the leading broiler county in the Nation.

Broiler chickens account for over half of Delaware's farm income. Including the value of corn and soybeans used as broiler feed, the business of raising broilers accounts for 70 percent of Delaware's farm income.

Throughout the peninsula, this means regular employment for over 10,000 persons and an annual value in chicken processed exceeding $250 million.

During the festival, which ends Saturday, thousands of people will visit the festival site at Dover, the picturesque capital of Delaware. They will participate in the Delmarva Chicken Cooking Contest, witness and enjoy such festival events as the Delaware Arabian Horse Association Show, the Delmarva Poultry Princess Pageants, and the Festive Parade.

But most of all, the visitors will be there to enjoy the taste of some of the best chicken cooked anywhere.

Mr. President, I wish to reiterate my congratulations to the Delmarva Poultry Industry, Inc., which sponsors the Delmarva Chicken Festival, and to express my belief that it will be the most successful festival on record.

Mr. President, the Wilmington Morning News yesterday carried several interesting articles about various activities that will take place during the Delmarva Chicken Festival. I ask unanimous consent that these articles be printed in the Extensions of Remarks.

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

FOR COTTON PICKIN' FINGER LICKIN' CHICKEN PLUCKERS, AND ANYONE ELSE

Sixty Delmarva home cooks will ready at the ranges on Saturday for the big Chicken Cooking Contest at Dover Downs.

All the semi-finalists in the cook-off come from Delaware, Maryland and Virginia. One person from each state will be chosen as the finalist to represent his state in the National Chicken Cooking Contest to be held in Birmingham, Ala., next month.

The first shift of chefs goes into action at 9 Saturday morning, the second at 12 noon. First-place winners each will receive $300, a set of cookware, spice rack with spices and a round-trip fare to Birmingham.

But while the contest is what it's really all about, the festival starts tomorrow and runs through Sunday. Festival-goers can have a heap of chicken from 10-foot fry pan manned by the Kiwanis Club of Dover. They can attend the Chamber of Commerce Home, Trade and Sports Show. Local firms as well as exhibitors from Baltimore, Philadelphia and New York will occupy 106 booths.

The Little League will raffle off a car. Even the politicians in this election year have taken spaces. Outside, boats and trailers will be featured. Some booths will sell merchandise, others simply show their wares or services.

Bargain hunters and antique collectors will have a chance to flock to the Flea Market for curios, and a look at one of the largest coin collections on the Eastern Shore. And there will be white elephant items as well as fine antiques, all under roof in the paddock area.

An Arabian horse show, appearances by country music stars Loretta Lynn and Conway Twitty, an antique car show and concerts by the Dover High School Band will offer almost constant diversion to the public.

Also, highlighting the Festival will be the choosing of the 1972 Delmarva Poultry Princess and the Little Poultry Princess on Friday night at 7:30. Judged on the basis of poise, personality, appearance and talent, the winning teenager will receive a $1,000 scholarship, a $500 scholarship, a $300 wardrobe and an engraved trophy.

"I'm certain this will be one of the largest Festivals ever," says Chairman Fred Phillips, mayor of Camden.

It looks as though it will be one of the busiest, too. One festival official guesses that 75,000 to 100,000 will attend the big doings in Dover. He's grateful for that outsize parking lot at Dover Downs.

MORE THAN ONE CHICK WILL LINE UP IN DOVER FRIDAY

A month ago, 21 teenagers plus 15 preschoolers and their parents met with Mrs. Vivienne Henrichson at Dover Downs.

Subject: The choosing of a 1972 Delmarva Poultry Princess.

The Princess Pageant will be held Friday night at 7:30 on a 40-foot stage right over clubhouse seats. But on this first day, rules, regulations, housing for the girls and general information were being dispensed.

After endless conditions and requirements were laid before the group, Mrs. Henrichson who is directing the pageant asked for questions. Silence. Not a hand or a voice was raised.

But after a long time, a 5-year-old broke the wall of quiet.

"Can I bring along my Easter candy?"

Those are the kinds of things that brighten a pageant director's life. Mrs. Henrichson says that the whole community is very involved in this year's festival. "Everything has been donated—the stage, the labor. The Air Base is supplying sound equipment, flowers are being given.

"The night before we're having a reception for all the girls at the Dinner Bell. After that they go to their host homes, three or four girls to a home."

Judging will be based on poise, personality, appearance and talent. About the last, Mrs. Henrichson says the girls are doing everything from an imitation of Lily Tomlin to the brave contestant who will make and model a garment right there before your eyes.

The Poultry Princess (senior) will be selected from the following entrants:

Miss Canterbury, Barbara Lynn Blackman; Miss Chincoteague, Heather Elizabeth Young; Miss Claiborne, Evelyn M. Reilly; Miss Dover, Michelle Stephanie Atchison; Miss Easton, Denise McKinsley Killmon; Miss Federalsburg, Janet Patchett; Miss Georgetown, Debra Lynn James; Miss Harrington, Joan Mason; Miss Laurel, Sandra Bowie; Miss McDaniel, Bonnie Lynn Mason; Miss Newcomb, Julie Hanks.

Miss Onancock, Karen Faye Colonna; Miss Oxford, Jean T. Martin; Miss Pocomoke, Ellen Corbin; Miss Princess Anne, Karen Frances Nelson; Miss Rio Vista, Renee Porter; Miss Royal Oak, Jasmine Mehrizi; Miss St. Michaels, Debra Jean Morse; Miss Salisbury, Beverly Robertson; Miss Seaford, Jeanne Marie O'Donnell; and, Miss Smyrna, Belinda Bridgeman.

The winning girl will receive a $1,000 scholarship for education of her choice beyond high school; a $500 scholarship for use at Wesley College Dover, Del; a $300 wardrobe; and an engraved trophy. First runner-up will receive a $500 scholarship or $250 in cash.

Miss Congeniality will be chosen by contestant vote and will receive a $200 U.S. Savings Bond and an engraved trophy.

On Saturday, April 29th, at 1:00 p.m., 15 four and five-year-olds will vie for the title of 1972 Little Delmarva Poultry Princess. The new princess will receive a $200 savings bond and an engraved trophy.

Tickets will be on sale at the Festival Information booth at Dover Downs Raceway and The Chamber of Commerce prior to the pageants. Admission is $1.000, with children under 12 years admitted free.

You'll know you're in the right place if you see a five-year-old with an Easter basket.

NOW DOWN TO BUSINESS

They come from Maryland. They come from Virginia. And they come from all over Delaware.