SENATE—*Friday, July 21, 1972*

The Senate met at 10 a.m. and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

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

O God, our Father who at creation appointed the night for rest and the day for work, help us to work with gladness and singleness of heart. Enable each of us so to master our own talents and energies that we may better serve others. Whether our tasks be great or small may we perform them as an offering to Thee. Amid the busy hours of daily duty help us to take time for one another. Make each of us diffusers of Thy light and truth. May Thy spirit so pervade our common endeavors that we may participate with our fellow citizens in a revival of pure religion and refined patriotism which shall lead to a new national purpose worthy of our heritage and fit for this age. When our work is done grant us a place in Thy kingdom.

We pray in the name of the Master Workman. Amen.

APPOINTMENT OF 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., July 21, 1972.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, July 20 1972, be dispensed with.

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

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.

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 bill (H.R. 15641) to authorize certain construction at military installations, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 15641) to authorize certain construction at military installations, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order the distinguished Senator from Connecticut (Mr. WEICKER) is now recognized for not to exceed 15 minutes.

Mr. WEICKER. Mr. President, I yield to the distinguished senior Senator from Massachusetts (Mr. KENNEDY).

(The remarks of Mr. KENNEDY and Mr. WEICKER on the introduction of S. 3825, the Highways and Related Transportation Systems Improvement Act, and the ensuing debate are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, may we proceed with morning business?

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 3 minutes.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate go into executive session.

The motion was agreed to; and the Senate proceeded to consider executive business.

DEPARTMENT OF STATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the nomination of Walter J. Stoessel, Jr., of California, to be Assistant Secretary of State.

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

The second assistant legislative clerk read the nomination of Walter J. Stoessel, Jr., of California, to be Assistant Secretary of State.

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

Mr. ROBERT C. BYRD. Mr. President, another nomination will be called up shortly. In the meantime I ask that the President be immediately notified of the confirmation of the nomination.

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

Mr. ROBERT C. BYRD. Mr. President, I yield to the able Senator from New York (Mr. JAVITS).

U.S. DISTRICT COURT

Mr. JAVITS. Mr. President, I call up the nomination reported by the Judiciary Committee of Robert L. Carter, of New York, to be U.S. district judge for the southern district of New York.

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

The assistant legislative clerk read the nomination of Robert L. Carter, of New York, to be a U.S. district judge for the southern district of New York.

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

Mr. JAVITS. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PUEBLO DE ACOMA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 924.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read the bill (H.R. 10858) by title, as follows:

A bill (H.R. 10858) to provide for the disposition of funds appropriated to pay a judgment in favor of the Pueblo de Acoma in Indian Claims Commission docket numbered 266, 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 Interior and Insular Affairs with amendments on page 1, line 3, after the word "That", insert "(a)"; on page 2, after line 2, insert:

(b) No portion of such judgment funds shall be distributed per capita, unless authorized by subsequent congressional action.

After line 5, strike out:

SEC. 2. None of the funds distributed per capita under the provisions of this Act shall be subject to Federal or State income taxes.

And, at the beginning of line 9, change the section number from "3" to "2".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–973), explaining the purposes of the measure.

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

PURPOSE OF BILL

H.R. 10858 authorizes the distribution and use of a claims judgment recovered by the Acoma Pueblo. The money has been appropriated, but it may not be used without further authorization from Congress.

The net amount available as of May 4, 1972, was $5,954,682. The money is currently invested in interest-bearing accounts.

NEED

The tribe has adopted a plan for the use of the money, which contemplates that the entire amount will be invested, and only the interest will be used for (1) aid to education, (2) tribal administration, (3) tribal law enforcement, (4) youth services, (5) land acquisition, (6) economic development, (7) matching funds for various Federal grant programs, (8) preservation of historic shrines, (9) emergency aid to the elderly, and (10) long-range planning.

During hearings on S. 2527, the Senate companion measure, before the Subcommittee on Indian Affairs on March 29, 1972, Interior Department witnesses failed to clarify specifics of the program plans or the amount to be allocated for this purpose.

On April 19, 1972, the Chairman of the Committee, Senator Henry M. Jackson, sent a letter to the Secretary of the Interior advising him that the Committee would defer further action on this measure until such time as the Department provided the Committee with definitive information on the tribe's proposed use of the judgment funds.

REDESIGNATION OF CAPE KENNEDY AS CAPE CANAVERAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 674.

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

The second assistant legislative clerk read the joint resolution (S.J. Res. 193) by title, as follows:

A joint resolution (S.J. Res. 193) to redesignate the area in the State of Florida known as Cape Kennedy as Cape Canaveral.

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

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. GURNEY. Mr. President, on July 10, 1969, the late Senator Spessard Holland and I introduced a joint resolution in an effort to bring about a change—perhaps reverse a change is a better phrase—in name for Florida's oldest landmark, Cape Canaveral. Restoring the name Cape Canaveral to the area now known as Cape Kennedy meant a lot to Senator Holland, as it does to most Floridians.

For that reason, Senator CHILES and I reintroduced the name-change joint resolution of February 1, 1972, in hopes that it could be passed at this session. On March 8, the Senate Interior and Insular Affairs Committee held hearings, and by virtue of the favorable report of that committee, the joint resolution was placed on the calendar and lies before us today.

Florida was first discovered by Ponce de Leon in the spring of 1513. During that epic voyage, Ponce came upon a spit of land jutting markedly out into the Atlantic from the Florida peninsula. He appears to have named it Punta de Arracifes, but a later explorer, probably Lucas Vasquez de Ayllon, renamed it Cape Canaveral sometime before 1536. The name Cape Canaveral appears on a map dated 1536 and on most every map thereafter. The cape—for good reason—had become a significant navigational landmark.

The importance of Cape Canaveral to early Spanish sailors and merchants was considerable. As early as 1526 the Spanish organized a convoy system for shipping the products of the New World back to Spain. These convoys would leave Havana and proceed north along the east coast of the Florida Peninsula. They would turn east for Spain only when they knew they had cleared the dangerous Bahama shoals. The point which became the marker for making that eastward turn was Cape Canaveral and so it remained throughout the entire colonial period. Even after the Americans took over, it remained a navigational guidepost; in 1847, a lighthouse was built there.

Until the coming of the space age, Cape Canaveral was never much inhabited. The French established a port there in 1564 or 1565 only to be driven out by the famous Spanish Adelantado Pedro Mendenez de Aviles. The Spanish subsequently built a fort in the general area, but never developed it. Neither did the British or the Americans, except for an occasional settler, until 1949 when the joint long range proving ground was opened on the cape. A year later, the first missile was launched and by 1956 the area became a major launch facility as the Vanguard, Atlas, and Jupiter missile programs were moved in, in preparation for launching our first orbiting satellite. By the time that came—in January 1958—the name Cape Canaveral had become a household word to many Americans.

On May 25, 1961, President John F. Kennedy appeared before Congress to ask the Nation to make landing on the moon a goal to be reached by the end of the decade. But unlike most Americans, the President realized, as did many Floridians, that the limited acreage and facilities available on the cape were inadequate for the purposes of a lunar landing mission. So, after detailed consideration of other areas, NASA announced, in August, of 1961, its decision to launch lunar flights from expanded facilities north and west of the cape and, concurrently, announced its intention to purchase some 80,000 acres of land for that purpose. These actions set in motion the chain of events which culminated in the move of NASA facilities from Cape Canaveral to Merritt Island—a move that was substantially completed by mid-1967. Two years later, two courageous astronauts were launched from the Merritt Island facility and on July 20, 1969, they made President Kennedy's dream come true by landing on the moon. Since then, all our lunar explorations have been launched from the Kennedy Space Center on Merritt Island rather than the cape. Perhaps, it was with a bit of nostalgia that many Americans recently read about the obtaining of bids to tear down two of the launch complexes on the cape itself. Perhaps this, better than anything else, underscores the fact that the Kennedy Space Center has been moved from Cape Canaveral to Merritt Island, thus eliminating whatever justification there was for renaming the cape and the facilities there after the late President. As I noted, President Kennedy realized that this move was both necessary and inevitable. In view of the fact that President Kennedy was a historian of some note, I think he would fully support such a change on historic grounds; and I also feel that his memory is best honored by continuing to name the NASA space facilities after him wherever they might move.

Mr. President, let me emphasize that this action in no way detracts from the memory of the late President, nor is it the intention of the Floridians that it should. Those of us in Florida hope that the Kennedy Space Center will forever remain a part of Florida and occupy a prominent place, along with Cape Canaveral, in the State's history. Now, since there is no geographical conflict between the name of the space center and the name of the cape, all the people of Florida want is the restoration of the historic name—Canaveral—to the State's oldest geographical landmark.

In 1969, a poll taken by the Gannett newspapers showed that 93 percent of the people in the area favored the name Canaveral. The Florida State Legislature and the prestigious Florida Historical Society came out in favor of the name change, as did many of the State's newspapers. Now that the proposal is before us again, there have been renewed expressions of support.

Newspapers from around the State have endorsed the change back to Canaveral; and just a couple of weeks ago, the Florida State cabinet also came out in favor of it. In short, the people of Florida, while revering the memory of the late President and the tremendous leadership he gave to the space program, would simply like the historic name Canaveral—changed in an understandable outpouring of emotion for the late President—restored to its rightful place in the State's lexicon of geographic names.

We would hardly think of changing the names of Cape Cod or Cape Hatteras, neither of which was discovered as early as Cape Canaveral, or has had the recent historical significance, to something else.

Yet, because of that historic significance, the name of Cape Canaveral was changed.

With the Kennedy Space Center no longer on the cape itself, now is an appropriate time to restore this name of great historic value to an area of great geographic and historical importance.

Mr. CHILES. Mr. President, a joint resolution very similar to Senate Joint Resolution 193, to redesignate as Cape Canaveral the area in Florida now known as Cape Kennedy, was introduced 2 years ago by the late Senator Holland and Senator GURNEY. It was strongly backed by the people of Florida at that time. In fact, in a statewide poll, 95 percent of Florida's citizens wanted the cape's old name back. I was happy to join with Senator GURNEY to introduce Senate Joint Resolution 193 in February of this year.

I believe it is a fitting tribute to the leadership that President John F. Kennedy provided in developing our space program that the space center be named and remain named after him. It was under President Kennedy that our manned space flight program was greatly expanded, and his leadership and great efforts were instrumental in the United States becoming the world leader in the exploration of outer space.

But I believe it is also fitting that the original name of this area, which played an important part in the history of our State and our Nation, be retained. Since earliest geographic recording, the area now known as Cape Kennedy has been called Canaveral.

There is no effort—nor do I believe there should be—to change the name of the space center itself. I strongly believe the center should retain its name and stature as a tribute to our late President. But I also strongly urge the Senate to restore the original name to the geographic area in which the center is located. Cape Canaveral is very likely the oldest known and continuously used landmark on the American Atlantic coast. Its name is recorded on maps even before that of the Mississippi River, Cape Hatteras, or Cape Cod.

Since the first introduction of this joint resolution, Mr. President, many newspaper editorials and articles have been written in support of the name change; and I have received resolutions approved by city commissions as well as letters from individuals. I was delighted to testify before the Committee on Interior and Insular Affairs on March 8, 1972. I believe that the statements of many distinguished Floridians who appeared before that committee make the record on this issue very clear: Floridians almost unanimously approve the change. In the past, seafarers placed a high value on Cape Canaveral, since it served as a welcome beacon to those sailing the east coast of the United States to the Bahama Islands and Central and South America, and for all ships sailing the sealanes north and south. Today, citizens of Florida place great historical and traditional value on that same area and would like to see it get back its original name.

I strongly urge the Senate's favorable consideration of the joint resolution now before it which would restore that original name.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the joint resolution.

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

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the area in the State of Florida formerly known as Cape Canaveral and thereafter designated as Cape Kennedy is hereby redesignated as Cape Canaveral, and any law, regulation, document, or record of the United States in which such area is designated or referred to shall be held to refer to such area under and by the name of Cape Canaveral.

SEC. 2. The facilities of the National Aeronautics and Space Administration and of the Department of Defense referred to in Executive Order 11129, dated November 29, 1963, shall continue to be known as the John F. Kennedy Space Center.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–704), explaining the purposes of the measure.

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

PURPOSE

The purpose of Senate Joint Resolution 193, which was cosponsored by Senator Gurney and Senator Chiles, is to restore the name of Cape Canaveral to that geographic area of the east coast of Florida which was designated as Cape Kennedy by presidential announcement on November 29, 1963. The joint resolution also provides that the John F. Kennedy Space Center be maintained as the name of the NASA and Department of Defense facilities located on the cape.

BACKGROUND

On November 29, 1963, President Johnson issued Executive Order No. 11129 designating the facilities of the National Aeronautics and Space Administration and the Department of Defense located on the Cape as the John F. Kennedy Space Center in honor of the late President. At that time the President also announced that the area in the State of Florida known as Cape Canaveral would be redesignated as Cape Kennedy.

The name Cape Canaveral is acknowledged by the U.S. Department of the Interior to be the "oldest continuously used place name on the American Atlantic Coast." The discovery of the Cape is attributed to Ponce de Leon around 1513.

Since the time of the name change, concern for the loss of the 400-year-old name of Canaveral has grown in the State of Florida. In June of 1969, the Florida State Legislature passed a joint resolution asking that the name Canaveral be restored to the Cape and that the John F. Kennedy Space Center be maintained as the name of the NASA facilities. On March 8, 1972, the Governor of Florida and his cabinet adopted a resolution endorsing the enactment of Senate Joint Resolution 193.

On March 8, 1972, hearings were held before the full committee to consider Senate Joint Resolution 193. At that time, members of the Florida congressional delegation and residents of the State presented testimony in support of the joint resolution. In addition, the committee has received a great number of letters and statements from past and present government officials, members of the academic community, and the people of Florida supporting the name change.

COSTS

Enactment of Senate Joint Resolution 193 will involve no additional appropriation of funds.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

AUTHORIZATION OF APPROPRIATIONS FOR CORPORATION FOR PUBLIC BROADCASTING

Mr. PASTORE. Mr. President, I send to the desk a bill and ask unanimous consent for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will read the bill by title.

The assistant legislative clerk read the bill (S. 3824) by title, as follows:

A bill to authorize appropriations for the fiscal year 1973 for the Corporation for Public Broadcasting and for making grants for construction of noncommercial educational television or radio broadcasting facilities.

The ACTING PRESIDENT pro tempore. Is there objection to the bill's being read a second time and immediately considered?

There being no objection, the bill was read the second time, and the Senate proceeded to its consideration.

Mr. PASTORE. Mr. President, this is the authorization for the Public Broadcasting Corporation. Senators may recall that several weeks ago—that is, before the Democratic Convention—a bill came up on the floor for consideration, and at that time it had an authorization of $65 million for fiscal 1973, $90 million for fiscal 1974, and $25 million for constructional facilities for individual stations for fiscal 1973.

That bill was passed by the Senate by an overwhelming vote. It was a bill that came from the House, and no amendment was made to the House bill.

At that time I made it clear that my feeling was that it should not have been amended because it might have delayed the consideration of the HEW appropriation bill, which was going to conference—and I understand it is going to conference next Tuesday.

This bill is very much in conformity with what the President has requested. I do not think there will be any trouble with it at all. I think the President will be inclined to sign it, because it provides for $45 million, which he asked for.

There is also an increase of $10 million in the authorization for station construction facilities for fiscal year 1973, which is also in line with the spirit of the President's veto message, because he feels much of public broadcasting's activity should be on the local level.

I have cleared this matter with the Senator from Tennessee (Mr. BAKER), who was speaking for the administration at the time the bill was being discussed on the floor. I reached him, I believe in Tennessee, and he agreed to become a cosponsor of this authorization.

I cleared it with the ranking Republican member of the full Commerce Committee, the honorable and distinguished

Senator from New Hampshire, Mr. NORRIS COTTON.

As it stands now it makes it agreeable all around. This bill will facilitate our passing the authorization so it will be in time to be considered at the time we hold the conference on the Health, Education, and Welfare appropriation bill.

Mr. COTTON. Mr. President, if the Senator will yield, I will say that he is absolutely correct. This has been cleared with the ranking minority member of the subcommittee which is so ably chaired by the Senator from Rhode Island, and approved by the minority on the full committee, and I am sure it will be satisfactory to the Republican leadership.

Mr. PASTORE. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

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

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3824) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 396(k) of the Communications Act of 1934 is amended to read as follows:

"Financing

"(k) There is authorized to be appropriated for expenses of the Corporation for the fiscal year ending June 30, 1973, the sum of $45,000,000."

SEC. 2. Section 391 of the Communications Act of 1934 is amended by inserting before the last sentence thereof the following: "There is also authorized to be appropriated for the fiscal year ending June 30, 1973, the sum of $25,000,000."

EXTENSION OF TIME FOR FILING COMMITTEE REPORT ON S. 3726, THE EXPORT ADMINISTRATION ACT AMENDMENTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations have until the close of business on Monday to file its report on S. 3726, a bill to extend and amend the Export Administration Act of 1969 to afford more equal export opportunity, to establish a Council on International Economic Policy, and for other purposes.

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, with an amendment:

S. 3327. A bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes (Rept. No. 92-978). Referred to the Committee on Finance.

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. PASTORE (for himself and Mr. BAKER):

S. 3824. A bill to authorize appropriatons for the fiscal year 1973 for the Corporation for Public Broadcasting and for making grants for construction of noncommercial educational television or radio broadcasting facilities. Considered and passed.

By Mr. KENNEDY (for himself, Mr. WEICKER, Mr. BROOKE, Mr. HUMPHREY, Mr. MATHIAS, Mr. MCGOVERN, Mr. PELL, Mr. RIBICOFF, Mr. SCOTT, Mr. JAVITS, Mr. BEALL, Mr. BUCKLEY, Mr. PASTORE, and Mr. HART):

S. 3825. A bill to improve the efficiency of the nation's highway system, allow States and localities more flexibility in utilizing highway funds, and for other purposes. Referred to the Committee on Public Works.

By Mr. YOUNG:

S. 3826. A bill for the relief of Andrew Reid. Referred to the Committee on the Judiciary.

By Mr. GURNEY (for himself and Mr. WILLIAMS):

S. 3827. A bill to amend the Service Contract Act of 1965 to revise the method of computing wage rates under such act, for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MATHIAS (for himself and Mr. ERVIN):

S. 3828. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing the disclosure of information to government agencies. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. BENTSEN:

S. 3829. A bill to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code. Referred to the Committee on Armed Services.

By Mr. JORDAN of Idaho (for himself and Mr. CHURCH):

S. 3830. A bill to amend the admission act for the State of Idaho to permit that State to exchange certain public lands. Referred to the Committee on Interior and Insular Affairs.

By Mr. MANSFIELD (for himself and Mr. METCALF):

S. 3831. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Marias-Milk Unit of the Pick-Sloan Missouri Basin program in Montana, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself and Mr. WEICKER, and Mr. BROOKE, Mr. HUMPHREY, Mr. MATHIAS, Mr. MCGOVERN, Mr. PELL, Mr. RIBICOFF, Mr. SCOTT, Mr. JAVITS, Mr. BEALL, Mr. BUCKLEY, Mr. PASTORE, and Mr. HART):

S. 3825. A bill to improve the efficiency of the Nation's highway system, allow States and localities more flexibility in utilizing highway funds, and for other purposes. Referred to the Committee on Public Works.

HIGHWAYS AND RELATED TRANSPORTATION SYSTEMS IMPROVEMENT ACT OF 1972

Mr. KENNEDY. Mr. President, today I am introducing, with the distinguished junior Senator from Connecticut (Mr. WEICKER), the Highways and Related Transportation Systems Improvement Act of 1972 to take a first step this year toward meeting our Nation's transportation crisis.

It is a crisis that is demonstrated by the Department of Transportation's own assessment of the Nation's transportation system, an assessment which found basic structural inadequacies in our transportation planning and financing apparatus.

The elements of the transportation crisis continue to be urban congestion, severe deterioration of local public passenger service, airport and air traffic congestion, hazards to safety, environmental degradation and financial distress of important segments of the transport industry.

The essential weakness has been that separate programs requiring separate planning and providing separate funding have developed for each mode of transportation.

This forced Federal regimentation in the use of transportation moneys and the imbalance on the side of highways has produced serious consequences, particularly for those segments of the population which have the least mobility.

More than half of all households with incomes under $3,000 and nearly half of all households whose heads are 65 years and older do not own a car. Similarly, the teenager rarely has access to a car despite the image of an affluent society on wheels. It turns out to be the poor, the handicapped, the old and the very young—those who most need mobility to gain access to adequate education, health care, job opportunities and the other amenities of life—who have the least mobility.

The continued over-emphasis on the private automobile in transportation will only increase the plight of the disadvantaged.

In both the 91st Congress and in the previous session of this Congress, I had offered legislation to provide for a thorough-going restructuring of the transportation system. That measure, S. 295, would establish a single national transportation trust fund which would not be earmarked in any way but which would be available to carry out comprehensive transportation plans, including mass transit.

Ultimately, this legislation must remain our goal. But in an effort to obtain some immediate relief, I am joining with Senator WEICKER in proposing a slightly more limited measure which hopefully can be enacted this year as part of the highway aid extension. The bill we are introducing today, with a bipartisan list of 12 cosponsors, makes significant strides toward matching Federal resources with Federal transportation needs.

I hope that it will be considered by

the Public Works Committee as part of its current review of highway aid legislation.

We already have endorsements from groups, including the Highway Action Coalition.

It would permit a portion of the highway trust fund monies to be spent for acquisition, construction, reconstruction, improvement, operation or maintenance of highway, traffic control or public transportation systems.

Although it does not affect the $3 billion per year estimated by the Department of Transportation to be necessary for the completion of the interstate system, it places all modes of transportation on equal footing in obtaining funding from the remainder of the trust fund.

For this purpose, the bill authorizes $2.3 billion in fiscal year 1974 and $2.8 billion thereafter to be made available from the trust fund for transportation projects, including the construction, operation and maintenance of mass transit systems.

The decision how to use the money would be based on a locally determined comprehensive transportation plan.

Also, the bill takes account of the wave of citizen dissatisfaction across the country with highway routes which have been selected long ago and which threaten homes or businesses or valuable natural resources. Some 32 citizen suits have been filed to block the continuation of these routes from Boston to Seattle.

Most of these sites involve urban segments of the system, which represented $17.5 billion of the $30.7 billion remaining to complete the interstate system. Some of these urban segments cost up to $100 million per mile to build and too often bring unacceptable environmental, social, and economic consequences in their wake.

Some of the cities in which interstate routes have been halted by the courts and citizen action include: Boston, Mass.; Atlanta, Ga.; New Orleans, La.; Duluth, Minn.; Detroit, Mich.; and Seattle, Wash.

In Boston, every interstate route has been stayed pending a full transportation restudy. In Kansas, citizens have stopped the Switzer Bypass because recreational land would be lost and the road itself is considered unnecessary.

In Rochester, N.Y., the proposed Genesee Expressway has been stopped because it would destroy 299 homes, mostly the residences of elderly persons who have nowhere to go.

In New Orleans, the courts have permanently halted an interstate route which was planned to bisect the Vieux Carre, one of the Nation's most distinctive architectural landmarks.

In all of these areas, present law prohibits money allocated for highway routes to be used for any other purpose. If it is not used to complete the original route, then it is reallocated to another area. The result is that local areas are unable to solve their transportation problems using the mode of transportation—auto, bus, railroad, mass transit, or airplane—they consider best for their own needs.

Recognizing that the interstate system was designed more than 15 years ago and that the transportation needs of the country have changed considerably since that time, this bill provides a review of those urban routes or segments approved by the Secretary before 1966 and not yet constructed. This review would be conducted in accordance with full planning procedures and all Federal requirements pertaining to secretarial approval of a new highway would be adhered to.

Should the review of any route or segment result in a decision by the Secretary not to build an urban segment, moneys which had previously been available for completion would continue to be available to the locality for mass transit or other transportation modes in solving its transportation problems.

The authorizations included in this bill are necessary to meet transportation needs, and fall within the projected revenues of the highway trust fund.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the highway trust fund revenues.

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

PROJECTED EXPENDITURES AND REVENUES FOR THE TRANSPORTATION TRUST FUND

[In millions]

	Revenues	Interstate	Chapter 6	Total	Balance [1]
Fiscal year:					
1974	6,152	3,000	2,300	5,300	1,212
1975	6,777	3,000	2,800	5,800	977
1976	7,038	3,000	2,800	5,800	1,238
1977	7,324	3,000	2,800	5,800	1,434
1978 [2]	7,500	3,000	2,800	5,800	1,700
1979	7,700	3,000	2,800	5,800	1,900
1980	7,900	1,275	4,500	5,757	2,143

[1] Balance is indicated for each separate year and is not compounded.

[2] Exact figures for estmated revenues in 1978–80 are unavailable. Estimate based on continuing incremental increase of $200,000,000 per year. 1974–77 estimates are from the Treasury Department.

Mr. KENNEDY. Mr. President, the allocation formula embodied in the bill apportions 90 percent of the noninterstate funds to the States. Half of this amount would be administered by State Governors and the other half would be passed through by Governors directly to the planning agencies in standard metropolitan statistical areas—SMSA's—central cities of 50,000 or more and contiguous areas. The remaining 10 percent of the funds will be available for grants by the Secretary at his discretion for any of the purposes of the act. However, it is expected that priority will be given to regional planning assistance, construction and improvement of bridges, and emergency relief programs.

The money allotted to large urban areas would be apportioned to each of the 233 SMSA's on the basis of population. During the first year of operation, this amount would be $1,035 million. In 1976, the amount increases to $1,260 million. By 1980, as the interstate nears completion, the amount increases to $2,025 million. The apportionment of funds to metropolitan areas is designed to alleviate the pressing needs of regional concentrations of population. Eighty percent of the population now resides on 2 percent of the land. Census Bureau projections indicate that this figure will continue to climb, and we must prepare the way for urban growth.

The provisions made for cities smaller than SMSA's and rural areas are similar to those embodied in the administration bill.

Too often, present "comprehensive" planning requirements under title 23 have been ineffective. In part, this is due to the method of funding. Balanced transportation planning—that is, planning which has as its objective the solution of transportation problems by a multimodal approach—cannot develop in the absence of a general transportation fund. Without access to sufficient funding, transportation planning will remain an empty exercise for planners.

The planning section of this bill allows governmental jurisdictions and planning agencies to work on a balanced transportation plan covering various modes of transportation. In addition, this bill requires State and areawide planning, comprehensive review, and the preeminence of local planning agencies to develop an interstate transportation network.

States must develop comprehensive transportation plans biannually for cities smaller than SMSA's and rural area.

The State plan must be approved by the Governor of the State and administered by a single State agency. A prerequisite to DOT approval is consideration by the State of social, environmental, and economic impacts of various available alternatives.

Metropolitanwide planning will be done by an agency which represents at least 75 percent of the metropolitan area, including the largest city. Each year the agency will submit a program of projects to the Secretary for his approval. The plan will be developed on an areawide basis and take into account long-range needs for all forms of transportation.

Under the new planning process, elected officials and citizens will be involved in planning from its inception. Elected authorities will participate in the management of the planning agency and they will have voting power proportional to their population.

This legislation, if enacted, will go a long way toward solving our transportation difficulties. Adequate transportation is a necessity for the economic viability of this country.

In many places, automobiles and highways will continue to be the primary mode of ground transportation. These areas will have funds for building highways. What is equally important, and this cannot be overemphasized, is that there will be choices available for the expenditure of transportation funds in other areas where the answer to transportation needs is not more highways, but mass transit.

Mr. President, I send to the desk a copy of the bill and a section-by-section analysis and ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. KENNEDY. Mr. President, I ask unanimous consent that the names of

the Senator from Massachusetts (Mr. BROOKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Pennsylvania (Mr. SCOTT), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Michigan (Mr. HART) be listed as cosponsors of the measure.

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

Mr. KENNEDY. Mr. President, I think that many of us who represent urban parts of this great country realize that a very heavy percentage of the resources that are accumulated in the highway trust funds are accumulated from urban residents who pay taxes on their gasoline. The great bulk of the funds actually raised for the highway trust fund is raised in similar ways.

What we are attempting to do with this proposal in part is to assure that those who live in the large urban areas and make their very heavy contributions to the highway trust fund will see it used to develop a balanced transportation system.

Those of us whom come from urban areas have been prohibited from doing this. As a result of the prohibition, those who live in the industrial parts of the country find that their transportation problems continue unabated.

We are attempting by this legislation to provide some flexibility in transportation financing to permit the development of a balanced transportation system which is so essential for the prosperity and the beneficial livelihood of the millions of people of this country.

Mr. President, I want to say how much I appreciate the opportunity to work with the distinguished Senator from Connecticut (Mr. WEICKER), who has been so interested in this matter and who has made the issue of developing a balanced transportation system one of his most urgent concerns.

This is something which affects my own State and affects Connecticut. However, it also affects millions of people who live in the urban areas, more than 80 percent of the Nation's population, not only on the eastern seaboard, but also in the heartland of our country and in the western part of the Nation.

I think this matter is a genuine concern to those of us on both sides of the aisle. We are hopeful of making some progress along the lines outlined in this legislation this year. And if we are able to do this, I think that citizens in all parts of this country will benefit.

Mr. President, I yield the floor and yield such time as I have remaining to the distinguished Senator from Connecticut.

EXHIBIT 1

SECTION-BY-SECTION ANALYSIS OF "HIGHWAY AND RELATED TRANSPORTATION SYSTEMS IMPROVEMENT ACT OF 1972"

Sec. 1 cites this as the "Highway and Related Transportation Systems Improvement Act of 1972."

Sec. 2 sets forth findings that highway congestion, air pollution, and related safety problems are impairing the efficiency of the highway system; and declares that the level of efficiency can be improved by developing related systems, and that both highways and related systems can best be improved by giving States and local communities greater flexibility in the use of Federal highway funds.

Sec. 3 gives definitions including one for highway or related transportation service. It means (1) the acquisition, construction or reconstruction, improvement, operation or maintenance of highway, traffic control, or public transportation systems, including highway safety facilities; (2) planning, research, development, and demonstration of these functions, and (3) beautification, relocation, and environment of protection activities.

Sec. 4 reduces the present authorizations of $4 billion for the Interstate System of highways for fiscal years 1974, 1975 and 1976, to the sum of $3 billion for each of fiscal years 1974, 1975, 1976, 1977, 1978, and 1979 and the amount of $1,257 million for 1980.

Sec. 5 authorizes the Secretary of Transportation to make 1974 and 1975 Interstate System apportionments using the factors set forth in Table 5 of House Public Works Committee Print 92–29, A Revised Estimate of the Cost of Completing the National System of Interstate and Defense Highways.

Sec. 6 extends the time for completing the Interstate System by four years, moving the completion date forward from June 1976 to June 1980. The Secretary is required to continue to report to Congress the cost of completing the Interstate System every second year, using the estimate shown therein for making apportionments for the subsequent two-year period, upon approval of Congress.

Sec. 7 requires that segments of routes of the Interstate System approved before October 15, 1966, but on which construction of a significant proportion had not commenced as of July 1, 1972, be subject to review of the appropriateness and feasibility in the same manner as newly authorized routes. Where such a review results in failure to select a route, or segment, the Federal funds for such a project shall be reallocated to the particular State or metropolitan area concerned, on the prevailing ratio of 90 percent Federal to 10 percent State or local.

Sec. 8 extends the 10 percent penalty for failure to control outdoor advertising displays and devices for the period after January 1, 1973, and eliminates the restriction of 650 feet from the nearest right of way, and substitutes "which can be seen from the main traveled way."

The authorizations for carrying out outdoor advertising are extended as follows: $27 million for fiscal year 1972; $20.5 million for 1972; $50 million for each of 1973, 1974, and 1975.

For control of junkyards in areas adjacent to the Interstate System and Federal-aid primary system of highways, the authorizations are extended as follows: $3 million for each of fiscal years 1971 and 1972; $5 million for 1973; and $7 million for each of 1974 and 1975.

Sec. 9 adds a new Chapter 6 to Title 23, U.S. Code, bearing the title Highways and Related Transportation Services Improvement Program.

Sec. 601 authorizes the Secretary of Transportation to apportion money from the Highway Trust Fund to assist States and local governments to operate, maintain, and improve highways and other transportation services, including public transit, if sufficient funds are not available from other Federal sources.

Sec. 602 authorizes to be appropriated out of the Highway Trust Fund the following amounts: $2.3 billion for fiscal year 1974; $2.8 billion for each of years 1975, 1976, 1977, 1978, and 1979; and $4.5 billion for 1980. Ninety percent of these amounts are to be apportioned in accordance with a prescribed formula, and the remaining 10 percent shall be available to the Secretary as a discretionary fund.

The distribution formula contains three elements:

50 percent of the total in the ratio which metropolitan area populations of a State bear to the total population of all metropolitan areas in the United States;

25 percent of the total in the ratio of the State's population to the national population;

25 percent of the total in the ratio of the square root of area of each State to the sum of square roots of all State areas, but with the provision that no State's share under this element shall be less than one-half of one percent of the allocation of this element.

The metropolitan population allocation funds are, in turn, to be reallocated by the States on a similar ratio of population of metropolitan areas within the respective State. Also, these funds are to be apportioned directly to the transportation agency established in each metropolitan area. Where such agencies do not have the authority to fulfill these purposes, the Secretary shall file interim measures until the agencies in question have been given that authority.

Beginning with fiscal year 1974, the Secretary shall publish in the Federal Register the amounts apportioned to the States or to local authorities under each of the three formula elements.

Unwarranted reductions of allocations by States to local governments for transportation purposes may result in a reduction of a like amount of Federal funds to the State concerned.

Sec. 604 requires each State to have a comprehensive State and local transportation plan, subject to approval by the Secretary of Transportation. Such a plan must reflect transportation needs of the State and its communities, and take into consideration the social and environmental impact of the alternate means available, while providing an adequate platform for public expression. It must be administered by a single State agency with full authority for executing the State's plan.

Local governments must develop an area-wide plan incorporating long-range plans for highway and related transport systems, with a schedule of projects to be undertaken annually. The local plan is to be developed by the local transportation planning agency, and be submitted to the Governor of the State, and to the Secretary of Transportation for review.

A local transportation agency shall be considered in existence when an allocation for transportation planning has been created by the general local government in a metropolitan area which represents at least 75 percent of the total population of the metropolitan area and includes the largest city. Each such agency shall have:

A. Representation in management of the highest appropriate elected official of each participating unit of general government, or in the case of the District of Columbia, representation of the Commissioner;

B. A citizen-advisory board composed of representatives of citizens' groups;

C. Planning authority for all urban surface modes of transportation;

D. Proportional voting based on population.

E. Authority to develop the program of transportation projects required under this section.

State and local plans must show how they comply with the Clean Air Act.

Where a State or metropolitan plan is re-

jected by the Secretary, the State or local unit shall be afforded an opportunity for hearing.

Planning and administrative costs of State or local units are not to exceed 3 percent of the respective allocation.

Sec. 605 provides for record keeping, audits, and reports.

Sec. 606 establishes legal machinery for the recovery of funds where a recipient has failed substantially to comply with the provisions provided herein.

Sec. 607 authorizes the Secretary of Transportation to prescribe rules, regulations, and standards to govern the conduct of implementation of this chapter.

Sec. 608 requires the Secretary to report annually to the President and Congress on the developments and effectiveness of these activities.

Sec. 609 applies the provisions of the Civil Rights Act of 1964 (42 U.S. Code 2000d) to this chapter.

Sec. 610 specifies that no Federal contribution in addition to funds herein allocated shall be provided for relocation payments and assistance for those replaced by transportation activities.

Sec. 611 provides that nothing in this chapter shall diminish the requirements respecting the establishment by States of highway safety programs approved by the Secretary of Transportation.

Sec. 612 requires action to insure that fair and equitable arrangements are made respecting labor.

S. 3825

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 "Highways and Related Transportation Systems Improvement Act of 1972."

FINDINGS AND PURPOSE

SEC. 2. The Congress finds that highway congestion, air pollution, and related safety problems are increasingly impairing the efficiency of the Nation's highway system; that the efficiency of the Nation's highway system can be improved by developing highway or related transportation systems which are tributaries to and supportive of highways; and that highways and related systems can be improved best by according to the States and local communities greater flexibility in the use of Federal assistance for highways.

DEFINITIONS

SEC. 3. Section 101(a) of title 23, United States Code, is amended as follows:

(1) After the definition of the term "forest highway," add the following new paragraphs:

"The term 'Governor' means the chief executive officer of the State.

"The term 'highway or related transportation service' means (1) the acquisition, construction, reconstruction, improvement, operation, or maintenance of highway, traffic control or public transportation systems, facilities, or equipment (including safety facilities and equipment); (2) planning, training, research, development, and demonstration activities for such activities, and highway safety program activities; and (3) beautification, relocation, and environmental protection activities associated with any activity set forth in clause (1) or (2) of this paragraph."

(2) After the definition of the term "maintenance," add the following new paragraphs:

"The term 'metropolitan area' means a standard metropolitan statistical areas designated and defined by the Office of Management and Budget.

"The term 'population' means the total resident population based on the most recent data compiled by the Bureau of the Census and referable to the same point or period of time.

"The term 'unit of general local government' means any city, municipality, county, town, township, parish, village, or other general purpose political subdivision of a State."

INTERSTATE SYSTEM ADJUSTMENTS

SEC. 4. Subsection (b) of section 108 of the Federal-Aid Highway Act of 1965, as amended, is amended by striking out "the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1974, the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1975, and the additional sum of $4,000,000,000 for the fiscal year ending June 30, 1976" and inserting in lieu thereof the following: "the additional sum of $3,000,000,000 for each of the fiscal years 1974, 1975, 1976, 1977, 1978, and 1979, and the additional sum of $1,257,000,000 for fiscal year 1980."

INTERSTATE SYSTEM APPORTIONMENTS

SEC. 5. The Secretary is authorized to make the apportionment for fiscal year 1974 and 1975 of the sums authorized to be appropriated for such years for expenditure on the National System of Interstate and Defense Highways, using the apportionment factors contained in table 5, House Committee Print Numbered 92-29.

EXTENSION OF TIME FOR COMPLETION OF INTERSTATE SYSTEM

SEC. 6. (a) The second paragraph of section 101(b) of title 23, United States Code, is amended by striking out "twenty years" and inserting in lieu thereof "twenty-four years" and by striking out "June 30, 1976" and inserting in lieu thereof "June 30, 1980."

(b)(1) The introductory phrase and the second and third sentences of section 104 (b)(5) of title 23, United States Code, are amended by striking out "1976" each place it appears and inserting in lieu thereof at each such place "1980."

(2) Section 104(b)(5) is further amended by striking out the sentence preceding the last sentence and inserting in lieu thereof the following: "Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1976 and 1977. The Secretary shall make a revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1976. Upon approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal years 1978 and 1979. The Secretary shall make a final revised estimate of the cost of completing the then designated Interstate System after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1978. Upon the approval by the Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for fiscal year 1980."

RECONSIDERATION OF CERTAIN PORTIONS OF INTERSTATE SYSTEMS

SEC. 7. Section 103 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(h)(1) For those routes or segments of routes of the Interstate System selected and approved in accordance with this section which were selected and approved on or before October 15, 1966, but upon which construction on a significant portion of such projects has not commenced as of July 1, 1972, the Secretary shall order that before construction or any further action leading to construction begins there shall be a review of the appropriateness and feasibility of construction of such route which restudy shall be made in accordance with the same statutory provisions and regulations as would apply to a newly authorized route being considered for the first time.

"(3) Where the review authorized by paragraphs (1) or (2) result in a failure of the Secretary to approve a route or segment of a route, the funds which would have otherwise been allocated for construction of the Interstate System shall be reallocated to the State and metropolitan area in which the segment was to have been constructed for expenditure according to the procedures established in Chapter 6 of this Act, except that the Federal share of project funds shall be the same as for the Interstate System. The funds available for this reallocation shall be determined by the 1972 Cost Estimate for the Interstate System."

HIGHWAY BEAUTIFICATION

SEC. 8. (a) Section 131(b) of title 23, United States Code, is amended by inserting immediately preceding the penultimate sentence thereof the following: "Federal-aid highway funds apportioned to a State after the first expiration occurring after January 1, 1973, of a regular session of the State legislature shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to the State under section 104 of this title, until such time as the State shall provide for effective control, if the Secretary determines that the State has not made provision for effective control, of the erection and maintenance along the Interstate System and the primary system of outdoor advertising signs, displays, and devices, the advertising or informative content of which can be seen from the main traveled way of the system."

(b) Section 131(d) of title 23, United States Code, is amended by striking out "within six hundred and sixty feet to the nearest edge of the right of way" by inserting in lieu thereof "at any location."

(c) Section 131(m) of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be apportioned to carry out the provisions of this section, out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $2,000,000 for the fiscal year 1970, not to exceed $27,000,000 for the fiscal year 1971, not to exceed $20,500,000 for the fiscal year 1972, and not to exceed $50,000,000 for each of the fiscal years 1973, 1974, and 1975. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

(d) Section 136(m) of title 23, United States Code, is amended to read as follows:

"(m) There is authorized to be appropriated to carry out this section out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000 for each of the fiscal years 1966 and 1967, not to exceed $3,000,000 for each of the fiscal years 1970, 1971, and 1972, not to exceed $5,000,000 for fiscal year 1973, and not to exceed $7,000,000 for each of the fiscal years 1974 and 1975. The provisions of this chapter relating to the obligation, period of availability, and expenditure of Federal-aid primary highway funds shall apply to the funds authorized to be appropriated to carry out this section after June 30, 1967."

NEW PROGRAM AUTHORIZATION

SEC. 9. Title 23, United States Code, is hereby amended by adding at the end thereof the following new chapter.

"CHAPTER 6—HIGHWAYS AND RELATED TRANSPORTATION SERVICES IMPROVEMENT PROGRAM

"Sec.
"601. Creation of program.
"602. Authorization.
"603. Allocation formula.
"604. Comprehensive State and local transportation plans.
"605. Records, audit, and reports.
"606. Recovery of funds.
"607. Rules and regulations.
"608. Annual report.
"609. Application of Civil Rights Act of 1964.
"610. Relocation assistance.
"611. Highway safety programs.

"CREATION OF PROGRAM

"SEC. 601. There is hereby created a Highways and Related Transportation Services Improvement Program under which the Secretary of Transportation shall be authorized to apportion highway trust funds to States and local governments to aid them in operating, maintaining, and making improvements to highways and related transportation facilities, including public transportation services provided that sufficient funds are not available from other Federal sources. Recipients are authorized to use funds received in accordance with this section for the construction of facilities and the acquisition of public transportation equipment for highways and related transportation services within the responsibilities of governmental and quasi-governmental agencies in SMSA's if such activities are performed in accordance with a State or local transportation plan authorized in section 604.

"AUTHORIZATION

"SEC. 602. There are authorized to be appropriated for the Highways and Related Transportation Services Improvement Program, out of the Highway Trust Fund, $2,300,000,000 for the fiscal year ending June 30, 1974, the additional sum of $2,800,000,000 for each of the fiscal years 1975, 1976, 1977, 1978, and 1979 and the additional sum of $4,500,000,000 for fiscal year 1980.

"ALLOCATION FORMULA

"SEC. 603. (a) For each fiscal year beginning after June 30, 1973, and ending prior to July 1, 1980, the Secretary, after consultation with the Secretary of the Treasury, shall apportion 90 per centum of the funds authorized to be appropriated under section 602 among the States as follows—

"(1) 50 per centum in the ratio which the population in metropolitan areas in each State bears to the total population in metropolitan areas in all States;

"(2) 25 per centum in the ratio which the population of each State bears to the total population of all States and

"(3) 25 per centum in the ratio which the square root of the area of each State bears to the sum of the square roots of the areas of all States. No State shall receive less than one-half of 1 per centum of each year's total allocation to the States under this subsection.

"(b) The remaining 10 per centum shall be available for grants by the Secretary at his discretion for any highway or related transportation service he deems appropriate, but priority shall be given to assisting State, local and regional government entities in developing and implementing comprehensive transportation plans, constructing and improving bridges financing research, development and demonstration projects, and emergency relief repairs and reconstruction of serious damage resulting from natural disasters and catastrophic failures from any cause.

"(c) (1) Funds apportioned to a State pursuant to section 603(a)(1) shall be reapportioned by the State directly to metropolitan areas as within the State in the ratio which the population of each metropolitan area bears to the total population of all metropolitan areas within the State.

"(2) These funds shall be apportioned directly to the transportation agency established in each metropolitan area. Where such agencies do not have the authority to fulfill the purposes of this Act, the Secretary shall file interim measures until such agencies have that authority.

"(d) Funds granted or apportioned to a State or planning unit pursuant to this section shall be available for use by that unit of government for any highway or related transportation service performed in accordance with a State or local transportation plan approved under section 604.

"(e) Not less than three months prior to the beginning of any fiscal year commencing with fiscal year 1974, the Secretary shall publish in the Federal Register (1) the amounts apportioned to each State under sections 603(a)(2) and 603(a)(3), respectively; and (2) the amounts to be apportioned by States to units of general local government under section 603(c). All computations and determinations by the Secretary under this subsection shall be final and conclusive.

"(f) Where a State reduces its allocations to support highways or related transportation services of any local government below the level of assistance which the services within the jurisdiction of that local government received in the fiscal year ending immediately preceding the date of enactment of this section, that State shall have its allocations under section 603(a)(2) and 603(a)(3) reduced by a like amount, unless the State can demonstrate to the Secretary special circumstances which warrant such reduction in assistance.

"COMPREHENSIVE STATE AND LOCAL TRANSPORTATION PLANS

"SEC. 604. (a) A State shall be eligible to receive its allocation pursuant to section 603(a) (2) and (3) for any fiscal year if it has a comprehensive State and local transportation plan approved by the Secretary under this section. Such plan shall:

"(1) provide for the development, maintenance, and operation of highways and related transportation services responsive to the needs of such State and its communities;

"(2) be coordinated with local community development plans and take into consideration the social, economic and environmental impact of the available transportation alternatives and assure adequate citizen involvement in the planning process through public hearings and related activities.

"(3) include a program of projects to be undertaken with funds appropriated under 603(a) (2) and (3), such program to be submitted annually to the Department of Transportation.

"(4) (A) be approved by the Governor of each State and (B) be reapproved with any recommended revision by a similiar procedure within a period of not more than two years from the previous approval or reapproval; and

"(5) be administred by a single State agency with authority for preparation and execution of such State's comprehensive transportation plan and for transportation policy and programs generally in such State.

"(b)(1) The units of general local government in each metropolitan area shall combine together to create a transportation agency to develop a plan for expenditure of funds allocated to the metropolitan area pursuant to this chapter. The plan shall be developed on an areawide basis and take into consideration long-range needs for all forms of transportation. The plan shall specify the projects needed to meet the long-range highway and related transportation system improvement objectives and shall consider any plans for the comprehensive development of the metropolitan area. Each year there shall be developed as part of, and in conformance with, the overall transportation plan a program of projects to be undertaken with the funds apportioned under this chapter. The plan and the annual program of projects shall be developed by the transportation planning unit and submitted to the Governor for his review and comment and to the Secretary for his approval in whole and in part.

"(2) A transportation agency shall be considered to exist when an allocation for the purposes of transportation planning has been created by the unit or units of general purpose local government within the metropolitan area which represent at least 75 per centum of the total population of the metropolitan area and include the largest city. In addition each transportation agency shall have (A) representation in its executive management of the highest appropriate elected official of each participating unit of general purpose local government or, in the case of the District of Columbia, representation of the Commissioner; (B) a citizen advisory board composed of representatives of citizen groups; (C) planning authority for all urban surface modes of transportation; (D) proportional voting based on population; and (E) authority to develop the program of projects required under this section.

(c) State and metropolitan transportation plans shall show how they comply with the Clean Air Act.

(d) The Secretary shall not finally disapprove any State or metropolitan plan submitted under this chapter, or any modification thereof, without first affording the State or metropolitan administering agency reasonable notice and opportunity for a hearing.

(e) Not to exceed 3 per centum of the allocation of each State or metropolitan area under this chapter may be expended for planning and administration of the planning program.

"RECORDS, AUDIT AND REPORTS

"SEC. 605. (a) All funds allocated under this chapter shall be properly accounted for as Federal funds in the accounts of the recipients.

"(b) In order to assure that funds allocated under this chapter are used in accordance with the provisions of this chapter, each recipient shall—

"(1) use such fiscal and accounting procedures as may be necessary to assure (A) proper accounting for obligations incurred and payments received by it, and (B) proper disbursement of such amounts;

"(2) provide to the Secretary, on reasonable notice, access to, and the right to examine any books, documents, papers, or records as he may reasonably require; and

"(3) make such reports to the Secretary as he may reasonably require.

"RECOVERY OF FUNDS

"SEC. 606. (a) If the Secretary determines after giving reasonable notice and opportunity for hearing that a recipient has failed to comply substantially with the provisions of this chapter he shall—

"(1) refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action will be instituted; or

"(2) notify the recipient that if corrective action is not taken within sixty days from the date of notification, funds allocated to it will be reduced in the same or succeeding fiscal year by an amount equal to the amounts which were not expended in accordance with the provisions of this chapter; or

"(3) take such other action as may be provided by law.

"(b) When a matter is referred to the Attorney General pursuant to subsection (a) (1) of this section, the Attorney General may bring a civil action in any appropriate United

States district court for such relief as may be appropriate, including injunctive relief.

"(c)(1) Any recipient which received notice of reduction of funds allocated under subsection (a)(2) of this section may, within sixty days after receiving notice of such reduction, file with the United States court of appeals for the circuit in which such recipient is located or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in litigation.

"(2) The Secretary shall file in the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless the objection has been urged before the Secretary.

"(d) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendations, if any, for the modification or setting aside of his original action.

"(4) Upon the filing of the record with it, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that the same shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

"RULES AND REGULATIONS

"SEC. 607. The Secretary shall prescribe such rules, regulations, and standards as may be necessary to carry out the purposes and conditions of this chapter.

"ANNUAL REPORT

"SEC. 608. The Secretary shall make an annual transportation report to the President and the Congress pertaining to transportation requirements and to the effectiveness of programs authorized under this chapter.

"APPLICATION OF CIVIL RIGHTS ACT OF 1964

"SEC. 609. Funds allocated under this chapter shall be considered as Federal financial assistance within the meaning of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d).

"RELOCATION ASSISTANCE

"SEC. 610. Notwithstanding the provisions of section 211 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894), no Federal contribution in addition to funds allocated under this chapter shall be provided for relocation payments and assistance for those displaced by transportation activities assisted under this chapter.

"HIGHWAY SAFETY PROGRAMS

"SEC. 611. Nothing in this chapter shall be interpreted as repealing the requirements in section 402 (a) of this title respecting safety programs approved by the Secretary. For the purposes of the sixth sentence of section 402 (c) of this title the phrase 'Federal aid highway funds apportioned' shall mean funds apportioned pursuant to section 104 (b)(5) of this title."

"LABOR STANDARDS

"SEC. 612 (a). The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors in the performance of construction work financed with the assistance of loans or grants under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Secretary shall not approve any such loan or grant without first obtaining adequate assurance that required labor standards will be maintained upon the construction work.

"(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Number 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276 c).

"(c) It shall be a condition of any assistance to mass transit systems under section 601 of this chapter that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interest of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual employees against a worsening of their positions with respect to their employment; (4) assurances of employment to employees of acquired mass transportation systems and priority of reemployment of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employment which shall in no event provide benefits less than those established pursuant to section 5 (2) (f) of the Act of February 4, 1887 (24 stat. 379), as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I am delighted to join with the distinguished senior Senator from Massachusetts in introducing the "Highways and Related Transportation Systems Improvement Act of 1972."

Mr. President, I commend the distinguished senior Senator from Massachusetts for his long time interest in trying to resolve the Nation's transportation problems, which admittedly may have started in the northeastern part of the United States, but have now spread the length and breadth of the land.

I would also like at this time to express my appreciation to Senators SCOTT, BROOKE, MATHIAS, PELL, JAVITS, and BUCKLEY for their input into this legislation and for their cosponsorship.

The bill which Senator KENNEDY and I are introducing today establishes a "Highways and Related Transportation Services Improvement Program." This new plan would allow the use of nearly half of the total highway trust fund for all forms of public transportation subject to the important concept of metropolitan areawide transportation planning. The bill would also require a reappraisal of all interstate highways approved before October 15, 1966, on which no significant construction has taken place. This, to assure their compatibility with current circumstances and criteria.

In 1956 the highway trust fund was set up to build an interstate highway system. Then, highways were our first priority. The building of those highways became a national obsession, and we are still building them in 1972 as if it were 1956.

But the United States is no longer a rural Nation; 75 percent of our population lives in urban areas and endless new highways often do these people more harm than good. The young, the old, the poor, and the disabled in the cities are helpless because subways, buses, trolleys, and other more recent innovations in mass transit have been sacrificed on the altar of two- and three-car families. And now that the grass of the suburbs is giving way to one more highway—even the advantaged are getting nervous as they see the vertical concrete they left turning horizontal.

A few examples clearly illustrate the magnitude of our folly and the urgency for achieving rational balance in our national transportation policy.

I recall a morning in February 1969 when I picked up a copy of the New York Times and was confronted with the incredible spectacle of one of the Nation's greatest transportation hubs—New York's Kennedy International Airport—completely cut off from the rest of the world by a snowstorm. Runways and roads were buried and there was no people-way out because although all highways led to Kennedy, subways and rail lines did not.

On June 23, this year, a similar incident occurred in Washington, D.C., in the wake of Hurricane Agnes. A single major road was closed causing a monumental traffic jam. Walking beat everything on wheels. The Nation's Capital, America's urban example to the world trapped by its automobiles.

Over the past several years I have talked to hundreds of Connecticut citizens who are deeply concerned with the war in Vietnam. Then something occurred to me. Where was the concern, the horror, the demonstrators, the sit-ins to protest the slaughter of 55,000 people on our highways each year?

Fifty-five thousand men, women, and children killed—2 million disabled—$14.3 billion lost every single year. Any man who proposed a program to the American people of such disastrous consequences would and should be thrown out of office.

Mr. President, the idea of returning mobility, safety, and joy to transportation is for now.

People have had it with traffic jams and an irrelevant highway lobby.

They have had it with the noise, filth, and stench of endless streams of automobiles.

People are ticked off with losing parks and playgrounds, shops and jobs, neighborhoods and whole cities because Washington spends two-thirds of its total transportation budget on highways.

People are appalled at the staggering human losses on our highways.

Each person in this country is affected every day by transportation and deserves better than a death trap transportation concept.

This bill introduced by the senior Senator from Massachusetts and the junior Senator from Connecticut, and others, is today's model of moving America.

Mr. President, I ask unanimous consent to have printed in the RECORD an advertisement which was published in yesterday's New York Times by the Mobil Oil Corp. entitled "Let's Get Moving With a National Master Transportation Program," which focuses attention on the problem here, and a letter from Dr. Arend Bouhuys, professor of Medicine and Epidemiology, Yale University, New Haven, Conn.

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

LET'S GET MOVING WITH A NATIONAL MASTER TRANSPORTATION PROGRAM

Anyone in America who rides trains or buses or subways, or uses public transportation to get in and out of airports, know our mass transit is pitiable.

More and better mass transit could ease traffic jams, reduce air pollution, and conserve energy fuel. And make moving around a lot more civilized.

To achieve this, as we suggested in this space on October 19, 1970 ("America has the world's best highways and the world's worst mass transit"), we must have new and vastly better mass transit systems.

Instead of dealing with highway construction, railway needs, urban transit, airport improvement, and maritime requirements in separate pieces of legislation, we should approach them as part of an overall transportation plan. This would tie all forms of transportation together to move people and goods fast, safely, comfortably, on time, and at reasonable cost.

To carry out that plan, Congress should enact a National Master Transportation Program. The money should come from direct Congressional appropriation, based on clear and rational priorities. In the process, the Congress should review all special earmarked funds, including the Highway Trust Fund.

Mobile supported the Highway Trust Fund when it was enacted in 1956, as a logical way to raise and husband the money needed to build the Interstate Highway system. Now we believe a new look is needed at the whole question of transportation and transportation funding. Such a review may show that special earmarked funds are no longer the best possible approach.

Indefinite continuation of the Highway Trust Fund could deter construction of more urgently needed non-highway transportation facilities. Indefinite continuation also would encourage expansion of the fund's goals at a time when they ought to be cut back.

Completion of the Interstate Highway System should be reviewed. It now is apparent that some sections of urban areas (lower Manhattan, for instance, and South Philadelphia) would cost $20 million per mile to complete. It is not at all certain that the benefits from these sections would justify the outlay.

Highways are important to us, obviously. Highway travel builds sales for Mobil. But traffic jams, and a glut of cars using too much gasoline to haul too few passengers, waste many resources, including oil.

We want our products to help more people get where they want to go, with greater ease and less waste than is now possible.

In our view, that requires the establishment of a National Master Transportation Program as soon as possible.

YALE UNIVERSITY,
New Haven, Conn., July 18, 1972.

Senator LOWELL P. WEICKER, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WEICKER: As a member of the Senate Public Works Committee, I hope that you will use your influence to amend the Federal Aid Highway Act (The Highway Trust Fund) to provide for financing of alternate mass transportation systems and also to provide such changes that may help to give additional Federal aid to improve existing roads, in an effort to reduce the need for further interstate highway construction.

In addition, I would like to express strong support for an amendment to this act that would provide for review of plans for interstate highway construction by the Environmental Protection Agency, in the interest of the achievement of any air quality standards that may be applicable to the construction project proposed. My endorsements of such changes in the Federal Aid Highway Act stems from my personal as well as my professional concern for the need to prevent deterioration of air quality anywhere in the United States, but in particular in high density population areas. It is exactly in such areas that the alternate mass transportation systems that the amended act would provide for are needed for a variety of reasons and their beneficial influence on air pollutant levels would be just one of the desirable consequences of a decreased reliance on the automobile in such areas.

I hope you will consider this point of view in your deliberations.

Sincerely yours,
AREND BOUHUYS, M.D., Ph. D.,
Professor of Medicine & Epidemiology.

Mr. WEICKER. Mr. President, it is interesting to note that none of the communications I have received were in response to requests by the junior Senator from Connecticut in relation to this bill. I wish to read one letter which sums up the all-encompassing aspects of the problem we are dealing with, not just the mobility, not just the environmental aspect, but the health of all Americans. This letter came independently to my office. The letter is from the Respiratory Disease Association in Farmington, Conn., and is dated July 17, 1972. The letter reads:

RESPIRATORY DISEASE ASSOCIATION,
Farmington, Conn., July 17, 1972.

Senator LOWELL P. WEICKER, Jr.,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WEICKER: It has come to our attention that the Public Works Committee, of which you are a member, will be considering the extention of the Highway Trust Fund in the near future. I would, therefore, on behalf of this Association like to stress the need for amending the Federal Aid Highway Act to eliminate the requirement that gasoline tax monies be used exclusively for highway expansion.

Connecticut, as well as many other urban states in this country, must become more creative in providing for the transportation needs of its citizens. As I am sure you are already well aware, the environmental impact of our existing highway programs is already being felt in urban centers such as Hartford, and unless Congress can assume a leadership roll in providing incentive to the states for integrated mass transportation systems, these problems will soon reach crisis proportion.

In this regard, we strongly urge that the Federal Aid Highway Act be amended to include the financing of mass transportation systems other than highways, as well as providing for a review by the Environmental Protection Agency of all interstate highway construction with regard to its environmental impact on the area involved.

The Hartford County Tuberculosis and Respiratory Disease Association is very much opposed to the continuation of the Highway Trust Fund as it now stands and, because of our interest in promoting respiratory health and an improved general health consciousness on the part of each community, we ask your support in amending of the Federal Aid Highway Act.

Thank you in advance for your consideration.

Sincerely,
PHILIP W. WOODROW,
Executive Director.

Mr. President, I think this gives an idea of the breadth of the problem with which we are dealing. I think the American public is owed a positive response by this Congress to give positive alternatives to a concept begun in 1956 and which clearly is out of date in 1972.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement prepared by the distinguished senior Senator from Maryland (Mr. MATHIAS). The Senator from Maryland has long had a deep interest in bettering our national transportation system and he deeply regrets that he is unable to be present at this hour.

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

STATEMENT BY SENATOR MATHIAS

Mr. President, if there is any doubt as to the need for legislation of this sort, one need only go out of this chamber to the front door of the Capitol and take a deep breath. For the fourth consecutive day, this area and much of the rest of the northeastern United States are suffering under severe air pollution. Repeated warnings have been issued that this situation—aggravated in the Washington area by heavy motor vehicle exhaust—may be hazardous to the health of persons with heart or respiratory problems.

The beautiful vistas of our capital city are obscured by the blue-gray haze of atmospheric pollution. At times in recent days it has been impossible to see more than a mile.

An unusually stagnant weather system is blamed as the cause. But stagnant weather cannot be blamed for the chemical oxides and particles of dirt which bring about watery eyes, runny noses and some very specific threats to public health.

We must reduce the dependence of our major cities on motor vehicles—especially private cars—as a major means of transportation. We must encourage our great metropolitan areas to develop other means of transportation. We not only need to stop the growth of the number of cars seeking to crowd into our downtown areas, we need to start the trend in the opposite direction, reducing the volume of vehicle traffic. But if we are to do this, we must provide an attractive alternative means of transportation.

By calling for review of uncompleted sections of the Interstate Highway System, by authorizing the expenditure of funds for alternative modes of transportation, by requiring comprehensive planning for metropolitan transportation, this legislation offers an opportunity for America's cities to begin to free themselves from the traffic strangle. As we have seen demonstrated this week, and with increasing frequency in recent years, that strangle is not only on the clogged streets and highways, it is the strangle of every individual in struggling to breathe our dangerously polluted air.

Rivalries between the backers of various modes of transportation must be set aside. But the legislation introduced today contemplates the completion of the Interstate Highway system and the other roads and highway we need. We must move together to provide our cities and states with the opportunity to be free for each to develop the balanced transportation system it needs. The public health of our nation depends on it.

Mr. WEICKER. Mr. President, I yield 3 minutes to the distinguished junior Senator from New York.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I thank the Senator for yielding. I shall only need 1 minute.

I commend my colleagues, the junior Senator from Connecticut and the senior Senator from Massachusetts for the initiative shown in formulating this legislation. I frankly have serious reservations about a number of the specifics of their bill but I am delighted to associate myself with the need to dramatize this problem, especially today in the field of transportation, and to wean ourselves from the exclusive preoccupation with highways and automobiles. We need to focus attention at all levels of government to find more efficient, more economical, and less destructive means of moving people in and out of our major urban areas.

Mr. President, the time has come. We cannot postpone this concentration any longer. We need to examine the existing laws, as this measure would do. We need to study the desecration of our landscape and public parks by ribbons of concrete or asphalt; we need to take stock of the enormous drain on our energy resources which results from our preoccupation with the internal combustion engine.

This week we on the eastern seaboard are especially conscious of the contribution of emissions from automobiles to our environment. In a number of States motorists are being urged to keep their cars at home.

Mr. President, I wish to emphasize that my cosponsorship of the bill is not necessarily an endorsement of its specifics, but a most wholehearted endorsement of the principle that Congress must consider mass transit a first order of business.

By Mr. GURNEY (for himself and Mr. WILLIAMS):

S. 3827. A bill to amend the Service Contract Act of 1965 to revise the method of computing wage rates under such act, for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. GURNEY. Mr. President, I am today introducing legislation on behalf of myself and Senator WILLIAMS which would amend the Service Contract Act of 1965. This bill seeks to rectify a situation which is, by anyone's standards, intolerable. Today tens of thousands of loyal and industrious employees working for private employers who have received Government service contracts are faced with the very real possibility that their economic well-being, achieved by years and years of hard work and dedicated service to their employer and the U.S. Government will be wiped out in a single contract rebidding. This is a very real fear to these people and, under these circumstances, I cannot blame them for their concern and am appalled at what has transpired under the Service Contract Act of 1965.

Indeed, experiences at Cape Kennedy in my own State of Florida clearly indicate that regardless of how loyal or how hardworking or how skilled an employee is, regardless of how long he has been working under one of these service contracts, he faces the possibility every year or so that a new company will come in and successfully underbid his employer. When this happens he finds himself possibly out of work, definitely reduced in income, fringe benefits, seniority, and stripped of pension rights.

In service contract bids, the challenger to an incumbent contractor keeps his bid price low by undercutting the incumbent in the area of wages and fringe benefits. He wins the award not on the basis of the quality of the product or increased productivity but rather by knocking down the employees wages and fringes. Thus, men who may have worked 15 to 20 years, doing the best they can and fulfilling their jobs as well as could be expected of anyone, find themselves out on the streets with their homes in danger of foreclosure and their families torn apart by financial crisis.

Mr. President, the Service Contract Act of 1965 sought to protect the employee by permitting the Secretary of Labor to conduct wage determinations and to include the findings as part of the invitation to bid issued for service contracts. The law, as presently written, however, presents two major problems.

First, whether or not a wage survey is conducted is at the discretion of the Secretary of Labor. In a recent instance in Florida, it was only after the most intensive urging on my part that such a wage survey was entered into. The second problem with the act is that, all too often, wage surveys do not protect the employee. For example—again using the Cape Kennedy area of Florida—wage surveys conducted over a multicounty area resulted in the wage levels established for the purpose of contract bidding being placed at a level considerably lower than those which employees were currently receiving. To offer lower wages and reduced benefits to a man of perhaps 40-plus years of age who has worked hard all his life to build up some financial security and seniority—to literally pull the rug out from under him—is not only unjust, but unconscionable.

What my bill does is provide that where arms-length labor-management wage and benefit agreements have been entered into by the incumbent contractor and his employees, a new firm will not be able to come in, take over the contract and, as has happened all too often in the past, bludgeon the workers into financial disaster. It does this by requiring that any assuming contractor maintain the level of wages and fringe benefits which the workers have achieved.

Mr. President, this is an increasingly difficult problem and one which merits prompt action by the Congress and I am pleased to note that similar legislation has been introduced in the House of Representatives. I hope that both houses can act promptly on this matter and resolve this phoblem once and for all this year.

By Mr. MATHIAS (for himself and Mr. ERVIN):

S. 3828. A bill to protect the constitutional rights of citizens of the United States and to prevent unwarranted invasions of privacy by prescribing procedures and standards governing the disclosure of information to government agencies. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. MATHIAS. Mr. President, I am introducing today a bill to protect constitutional rights of citizens to privacy in their banking business, including the cashing and issuing of checks. The purpose of this bill, and the purpose of similar legislation introduced by the Senator from California (Mr. TUNNEY) was discussed in statements made by us in the Senate yesterday, and I shall not repeat them today.

I do wish, however, to acknowledge the valuable help that my staff and I have received in the preparation of the legislation. I am especially grateful to the officers and members of the Maryland Bankers Association and to Hope Eastman and John Roemer of the Maryland Civil Liberties Union for their advice and counsel.

By Mr. BENTSEN:

S. 3829 A bill to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code. Referred to the Committee on Armed Services.

Mr. BENTSEN. Mr. President, I introduce a bill to provide for the credit of certain service by aviation midshipmen.

I ask unanimous consent that the remarks of Representative MCFALL delievered during the consideration of the companion bill in the House together with a letter from the Department of the Navy in connection with this subject be printed at this point in the RECORD.

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

AUTHORIZING THE CREDITING OF AVIATION MIDSHIPMAN SERVICE FOR CERTAIN PURPOSES

Mr. MCFALL. Mr. Speaker, I rise in support of H.R. 11265, a bill before the House today, to authorize the crediting of aviation midshipman service for pay and retirement purposes.

As was brought out during the hearings, a small group of men was covered by a 1946 act of Congress establishing the Navy aviation midshipman program providing for officer candidates serving 2 years in flight training, and then on flight duty in the status of midshipmen. Due to a legislative oversight, this small group was omitted from those whose periods of service could be credited for base pay and retirement.

The inequity is clear, and the Department of Defense sponsored the legislation to correct it. There is no opposition to its passage, and I hope that it can be enacted without delay, so that these worthy men, many of whom served in Korea, may be placed in the same position as others similiarly situated, and be able to claim the pay they did not receive over the years as the result of this legislative oversight, as well as future benefits.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF THE NAVY,
Washington, D.C., September 24, 1969.

Hon. L. MENDEL RIVERS,
Chairman, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your request for comment on H.R. 11265, a bill "To provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code," has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

The purpose of section one of this bill is to authorize aviation midshipman service to be counted in determining eligibility for receipt of retired pay under chapter 67 of title 10, United States Code. That chapter provides for the payment of retired pay at age 60 to members and former members of the armed forces who have completed 20 years of satisfactory reserve or other non-regular service, active and inactive. Section 1332(b)(7) of title 10, United States Code, lists the type of service that may be credited. H.R. 11265 would add service as an aviation midshipman to this list. Section two of the bill would amend section 205(a)(1) of title 37, United States Code, so as to make aviation midshipman service creditable in determining an officer's rate of basic pay.

The Navy's aviation midshipman program was authorized by the Act of August 13, 1946, chapter 962 (60 Stat. 1057). It was discontinued after a brief trial, and authority for it has been repealed. Officer candidates in the program served two years in flight training and on flight duty in the status of aviation midshipmen. The Comptroller General has ruled that an officer's aviation midshipman service is service on active duty for the purpose of determining his eligibility for 20 year active duty retirement under section 6323 of title 10, United States Code (42 Comp. Gen. 669). It is therefore anomalous that reserve officers cannot count this service in determining their eligibility for retired pay at age 60. The subject bill would correct this discrepancy. It would also authorize service as an aviation midshipman to be creditable toward determining an officer's rate of basic pay by amending section 205(a)(1) of title 37, United States Code.

The records of this Department disclose that fewer than 100 persons are in a position to have their reserve entitlements affected by this legislation. Accordingly, the bill's enactment would not result in increased budgetary requirements for the Department of Defense.

The Department of the Navy, on behalf of the Department of Defense, supports the enactment of H.R. 11265.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report on H.R. 11265 for the consideration of the Committee.

For the Secretary of the Navy.
Sincerely yours,
JOHN D. H. KANE, Jr.,
Captain, U.S. Navy, Deputy Chief.

By Mr. JORDAN of Idaho (for himself and Mr. CHURCH):

S. 3830. A bill to amend the Admission Act for the State of Idaho to permit that State to exchange certain public lands. Referred to the Committee on Interior and Insular Affairs.

Mr. JORDAN of Idaho. Mr. President, on behalf of myself and my distinguished colleague from Idaho (Mr. CHURCH), I submit for appropriate reference a bill to amend the Idaho Admission Act.

Under the 1890 act which gave statehood to Idaho, sections 16 and 36 of every township were assigned to the State for support of the public schools. In order to assure that these lands and the revenues from them would constitute a permanent school fund, the Congress provided for certain restrictions in the management and disposal of these lands and the revenues derived from them. One of the restrictions in section 5 of the act provided that:

All lands herein granted for educational purposes shall be disposed of only at public sale.

Since 1966, the Idaho State Land Board has successfully conducted a program of exchanges with the U.S. Forest Service, which had the dual objectives of consolidating State lands for more efficient management and removing scattered State school sections from within the boundaries of the extensive national forest holdings in Idaho. Five separate exchanges have been conducted with three national forests and an extensive exchange for Stats lands within the expansive Dworshak Reservoir site in northern Idaho is about 90 percent complete.

However, a legal difficulty has arisen to hold up this most commendable exchange program and necessitate the legislation we introduce today. The Forest Service legal counsel recently ruled that section 5 of the Admission Act precludes such exchanges for Federal lands. Since that opinion was handed down, the national forest supervisors in Idaho have refused to proceed with further exchanges until the Admission Act is amended.

The bill which we are introducing today will permit exchanges to be consummated with Federal agencies. The land exchanges authorized in this amendatory legislation are to be made on an equal value basis, as required by section 58–138 of the Idaho Code. Lands acquired by the State under this process are assigned to the same endowment as those from which the exchange parcels are assigned.

Mr. President, this is a constructive proposal for improved land management on both State and Federal levels, and I hope that its passage can be expedited.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks.

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

S. 3830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the Act entitled "An Act to provide for the admission of the State of Idaho into the Union", approved July 3, 1890 (26 Stat. 215), is amended to read as follows:

"SEC. 5. (a) Except as provided in subsection (b), all lands herein granted for educational purposes shall be disposed of only at public sale, the proceeds to constitute a permanent school fund, the interest of which only shall be expended in the support of said schools. Such lands may, under such regulations as the legislature shall prescribe, be leased for periods of not more than ten years, and in the case of an oil, gas, or other hydrocarbon lease, for as long thereafter as such product is produced, and such lands shall not be subject to preemption, homestead entry, or any other entry under the land laws of the United States, whether surveyed or unsurveyed, but shall be reserved for school purposes only.

"(b) Such lands may be exchanged for other lands, public or private, of approximately equal value and as near as may be of equal area. If any such lands are exchanged with the United States, such exchange shall be limited to unreserved or reserved public lands within the State that are subject to exchange under the laws governing the administration of such lands. All such exchanges heretofore made with the United States are hereby approved."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3641

At the request of Mr. PEARSON, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. 3641, to establish a National Energy Resources Advisory Board.

S. 3698

At the request of Mr. PEARSON, the Senator from Maryland (Mr. BEALL), the Senator from Tennessee (Mr. BROCK) and the Senator from Colorado (Mr. DOMINICK) were added as cosponsors of S. 3698, a bill to promote the development of an export trade among small businesses not now engaged extensively in exporting.

S. 3759

At the request of Mr. JAVITS, the Senator from Rhode Island (Mr. PELL) and the Senator from Nevada (Mr. BIBLE) were added as cosponsors of S. 3759, a bill to provide for the humane care, treatment, habilitation and protection of the mentally retarded in residential facilities through the establishment of strict quality operation and control standards and the support of the implementation of such standards by Federal assistance, and for other purposes.

HANDGUN CONTROL ACT OF 1972—AMENDMENT

AMENDMENT NO. 1335

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. HART submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2507) to amend the Handgun Control Act of 1965.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1302

At the request of Mr. MANSFIELD for Mr. HART, the Senator from Illinois (Mr. STEVENSON) was added as a cosponsor of amendment No. 1302 intended to be proposed to the bill (S. 2871) to protect marine mammals to establish a Marine Mammal Commission, and for other purposes.

HEARINGS ON ACCESS TO BANK RECORDS

Mr. PROXMIRE. Mr. President, the Subcommittee on Financial Institutions of the Senate Committee on Banking, Housing and Urban Affairs has scheduled hearings on August 11 and 14 to review the regulations issued by the Department of the Treasury to implement the Currency and Foreign Transactions Reporting Act of 1970—Public Law 91-508. The hearings will also cover legislation introduced to amend Public Law 91-508 including S. 3814 by Senator TUNNEY, as well as other legislation which may be introduced on the subject. Persons desiring to testify at these hearings should contact Mr. Kenneth McLean of the commitee staff, room 5308, New Senate Office Building, 225-7391.

Mr. President, I fully support the objectives of the 1970 legislation which were aimed at restricting the illegal use of secret foreign bank accounts. The reporting and recordkeeping requirements contained in the legislation will give law enforcement officials an additional means for cracking down on tax chislers and other white collar criminals. At the same time, we need to be careful not to abridge a person's right to privacy or other rights guaranteed by the Constitution.

In approving the legislation, the Senate Banking Committee report states that subpenas would be required to obtain bank records and that the legislation in no way authorizes unlimited fishing expeditions into a bank's records by law enforcement agencies.

Unfortunately, this legislative intent may not have been fully realized in the proposed Treasury regulations. There is nothing in the regulations which prohibits a bank from releasing its records of the Government without a subpena. It may be that additional legislation is needed should Treasury lack the authority to limit access to a bank's records.

The charge has been made that Government investigators may try to use bank records in maintaining surveillance over political organizations. Such a practice would seriously undermine freedom of speech and association. We need to assure the public that their bank records will not be misused by overzealous Government investigators. Should additional safeguards prove necessary, I am confident that Congress will act.

NOTICE OF HEARINGS CONCERNING GRANT-KOHRS NATIONAL HISTORIC SITE

Mr. BIBLE. Mr. President, I wish to announce for the information of the Members of the Senate and other interested persons that the Subcommittee on Parks and Recreation has scheduled open hearings to be held on Thursday, July 27, on S. 2166, a bill to authorize the establishment of the Grant-Kohrs Ranch National Historic Site in the State of Montana, and for other purposes.

The hearing will begin at 10 a.m. in room 3110, New Senate Office Building.

ADDITIONAL STATEMENTS

QUALITY OF HEALTH CARE

Mr. KENNEDY. Mr. President, I ask unanimous consent that a newspaper article be included in the CONGRESSIONAL RECORD. It was written by Stuart Auerbach, Washington Post staff writer, and appeared in the Post last Tuesday, July 18, 1972. In the article, Mr. Auerbach reports that Pennsylvania Insurance Commissioner Herbert S. Denenberg has estimated that at least 2 million unnecessary operations are performed in the United States each year leading to—in his estimate—at least 24,000 patient deaths which could have been avoided.

I believe that this article, which I anticipate will be one of many to appear in coming months and years, emphasizes the need for increasing concern and increasing attention to the quality of health care services rendered in this country.

Today, I have filed the report of the Committee on Labor and Public Welfare to accompany S. 3327, the Health Maintenance and Resources Development Act of 1972, ordered reported by the full Labor and Public Welfare Committee late last month. Title IV of S. 3327 provides for the creation of a Commission on Quality Health Care Assurance. The purpose of the Commission is attended to be to develop criteria for quality health care assurance systems throughout the country. In developing these criteria, the Commission is directed to review and describe current health care practices, and to attempt to determine what constitutes quality health practices.

At the present time, no nationally agreed upon standards governing the processes of health care are existent. Instead, regional variations exist which demonstrate the absence of uniformity in health care practices in the United States. The rates of some common practices vary by as much as four times from one section of the country to another, and vary as much as 10 times between some parts of the United States and foreign countries such as Sweden and England. Specific documentation of these figures is contained in the report accompanying S. 3327.

I believe it is only through a national, coordinated effort such as that which would be made possible by the creation of the Commission on Quality Health Care Assurance, that we can begin to develop the capability for evaluating, establishing, and determining acceptable health care quality practices.

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

[From the Washington Post, July 18, 1972]

UNNEEDED SURGERIES PUT AT 2 MILLION A YEAR

(By Stuart Auerbach)

Pennsylvania Insurance Commissioner Herbert S. Denenberg asserted yesterday that American doctors perform at least two million unneeded operations a year. Other experts said these operations kill at least 24,000 patients.

In a "shopper's guide" that offers "14 rules on how to avoid unnecessary surgery," Denenberg advises the public to consider an operation only as "a last resort."

While acknowledging that "most surgeons are competent, conscientious, careful and conservative," Denenberg said, "there is a tendency for surgeons to do their thing—which is to operate."

In a telephone interview, he called his estimate of 2 million unnecessary operations a year "conservative," and said that such surgery costs the American public millions of dollars as well as unneeded deaths.

While he placed the number of operations performed annually at about 12 million, surveys by the Commission on Professional and Hospital Activities of Ann Arbor, Mich., indicate that more than 20 million Americans underwent surgery last year.

Dr. Virgil Slee, head of the CPHA, estimated that the overall death rate for operations is about 1.2 percent.

A West Coast surgeon using the pseudonym "Lawrence P. Williams, M.D." estimated in a book called "How to Avoid Unnecessary Surgery" that 20 per cent of the operations done in America are unneeded.

Members of the American College of Surgeons, however, denied in a poll taken last year that there is much unneeded surgery done in the nation's hospitals. Only 11 per cent said it was common while 46 per cent said it was very rare and 41 per cent said it is uncommon.

The problem of unneeded surgery—and the question of whether there are too many surgeons in the country—is coming increasingly into the forefront of the debate on how the nation's health care system should be shaped.

Sen. Edward M. Kennedy (D-Mass.) cites studies showing unnecessary surgery to bolster his argument for a national health insurance system. Even the American Medical Association has approved a new system of post-graduate medical education designed to control the number of doctors permitted to be trained in a specialty where they are not needed.

A number of studies have documented the relation between the number of surgeons in an area and the number of operations they perform.

Looking at the number of operations performed in different regions in Kansas, Dr. Charles E. Lewis of the Harvard Center for Community Health and Medical Care found "a medical variation of Parkinson's law: Patient admissions for surgery expand to fill beds, operating suits and surgeons' time."

"From the surgeon's point of view," Lewis reported in the New England Journal of Medicine, "most elective procedures are elective only in terms of the willingness of the patient to undergo surgery, his ability to pay for the operation and the availability of resources such as surgeons and surgical beds."

In his "shopper's guide," Denenberg cites a comparison reported by Stanford University anesthesiologist Dr. John P. Bunker on the proportionate number of surgeons in England and America, and the number of operations they perform.

"It is no mere coincidence," said Denenberg, "that in proportion to population, U.S. surgeons are not only twice as numerous as English surgeons, but also perform twice as many operations.

He said that his shopper's guide will help the public "avoid unnecessary surgery . . . help hold down the cost of health care and better utilize the health delivery system."

His rules include suggestions that the patient see an internist before accepting a surgeon's recommendation for an operation; making sure the surgeon is certified by a surgical board and belongs to the American College of Surgeons; going to an approved hospital, and learning the alternatives to an operation.

Consultations alone, he said, can cut the number of operations by 20 per cent to 60 per cent.

Denenberg also suggested that the patient discuss fees with the surgeon and consider one who works in a group practice setting.

Denenberg warned against surgeons who may be too busy to devote enough time to the patient and cautioned the public to watch for the most common unnecessary operations—hysterectomies, hemorrhoidectomies and tonsillectomies.

"It pays to look for a competent surgeon," said Denenberg. He cited an article by Dr. Eric W. Fonkalsrud in the AMA's Archives of Surgery indicating that half the operations in the nation are done by surgeons who are not board certified.

The AMA has reported that 90,000 doctors in the country specialize in surgery—more than any other specialty group including general practitioners. Of the surgeons, about 51,000 are board certified and about 28,000 have been elected fellows of the American College of Surgery.

This is the fourth "shopper's guide" that Denenberg has released and perhaps the most controversial. The others are on life insurance, auto insurance in Pennsylvania and hospitals in Philadelphia.

[From the Washington Post, July 18, 1972]

FOURTEEN RULES ON AVOIDING UNNECESSARY SURGERY

(NOTE.—This is the text of a summary of Pennsylvania Insurance Commissioner Herbert S. Denenberg's 14 rules for avoiding unnecessary surgery.)

1. Don't go directly to a surgeon for medical treatment. There is a tendency for surgeons to do their thing—which is to perform surgery. Go instead to a general practitioner or internist, who tend to be more conservative than surgeons. They can serve as a countervailing force on any tendency of a surgeon to place too much faith in surgery.

2. Make sure any surgeon who is to perform surgery on you is certified by one of the American Specialty Boards. Your local medical society can tell you if a surgeon is board-certified. Also, the Director of Medical Specialists, which lists board-certified surgeons, is available at most good libraries. Osteopathic surgeon is board-certified. Also, the American Specialty Board in some states or by their own American Osteopathic Board of Surgery.

3. Make sure a surgeon is a fellow of the American College of Surgeons by consulting the Directory of Medical Specialists, calling the local medical society or writing directly to the American College of Surgeons, 55 E. Erie St., Chicago, Ill. 60611. The equivalent organization for osteopaths is the American College of Osteopathic Surgeons, 1550 S. Dixie Highway, Suite 216, Coral Gables, Fla. 33146.

4. Even if your family doctor and surgeon agree that surgery is necessary, consider getting an independent consultation or opinion before subjecting yourself to surgery. According to some studies, consultations reduce operations by as much as 20 to 60 per cent. Tell the consulting surgeon that he will not perform the surgery, if it is necessary, thus removing any financial interest he has in saying the surgery is necessary.

5. Make sure any surgery is performed in an acoredited hospital and, if possible, select a hospital that gives staff privileges (the right to practice in the hospital) to both your doctor and surgeon. To check for accreditation, you can write the Joint Commission on Accreditation of Hospitals, 645 N. Michigan Ave., Chicago, Ill. 60611 and the American Osteopathic Association, 212 E. Ohio St., Chicago, Ill. 60611.

6. Don't push a doctor to perform surgery on you. If you insist on surgery, even if it is unnecessary, you are likely to find a surgeon willing to perform it.

7. Make sure your doctor and surgeon explain both the alternatives to surgery and the possible benefits and complications of surgery.

8. Frankly discuss the fee for surgery with your doctor. Forget about the mistaken notion that it's somehow improper to inquire about the cost of surgery. Most surgeons prefer that the patient understand the cost of surgery in advance. If the surgeon seems unwilling to discuss fees, then he doesn't know much about his obligation to the patient. Also discuss all costs, such as surgeon's fees, any fees for his assistant, the anesthesiologist's fees, those of the hospital, special nursing and your own physician's fees. This will give you a better idea of the surgery as well as help you determine if fee-splitting, a form of illegal kickback, is taking place.

9. Check out the surgeon with those who know him or have used him.

10. Make sure the surgeon knows and is willing to work with your general practitioner or internist. If they can't work as a team, you may be the loser.

11. Consider a surgeon who is part of a group practice. In a group practice, doctors work together on all their cases. You are more likely to have a doctor available at all times who is familiar with your case if your physician is part of a group practice.

12. Select a surgeon who is not too busy to give patients enough time and attention. Surgeons who handle too many cases are bad news for the patient for obvious reasons.

13. Watch out with special care for these operations that are most often unnecessarily performed: hysterectomies, hemorrhoidectomies, and tonsillectomies.

14. The patient and not the doctor or surgeon is supposed to and is entitled to make the decision on whether to have surgery. Listen to the experts. But remember, it's still your decision. As the title of a television show goes—"This Is Your Life."

THE LEGACY OF PARKS PROGRAM

Mr. PEARSON. Mr. President, on July 5, after 87 years of Federal ownership, 15 acres of land were returned to the people of Leavenworth as part of the legacy of parks program. This tract was the first Federal land in Kansas converted to parkland under this new program.

At a time when land near urban areas is being gobbled up by roads and parking lots and housing developments, a green and quiet place to relax and enjoy the outdoors is a thing of real value for any community. Because the Federal Government is, moreover, our Nation's largest landowner, it is and should be possible to allow acres of trees and grassland which otherwise might go unused to be converted into parks for the people.

The fresh, clear morning at Leavenworth when we dedicated this land and put this idea to practice will be rather quickly forgotten, I imagine. But it opened a new place for residents of the area to enjoy and, for me, it renewed a commitment—more than any hearings or study could do—to examine our Federal recreational programs and land use policies to determine the extent to which we can make similar areas available in Kansas and across the Nation.

And finally, I would note for the interest of the Senate, the appropriateness of the fact that this first parcel of Federal land in Kansas to be converted and returned to the people of our State lies in an area where the first pages of Kansas history were written. More than a century after the days of Kansas' statehood, this land, I can report, is open again for the enjoyment of people in Leavenworth and Kansas.

PROF. CARLO PEDRETTI—COMMUNICATING THE LIFE OF LEONARDO DA VINCI

Mr. TUNNEY. Mr. President, a most unusual and noteworthy gentleman has recently come to my attention—a man who combines the highest aspects of scholarship with the ceaseless curiosity of a detective to produce some truly startling revelations. I refer to Signor Carlo Pedretti, currently teaching at the University of California at Los Angeles, and a distinguished authority on the life, times and works of Leonardo da Vinci.

Most of you have never heard Professor Pedretti's name, but in the academic world it is well known. Due to Professor Pedretti's efforts, an American institution of higher learning—UCLA—now has regularly offered seminars dealing exclusively with the greatest genius in mankind's history—Leonardo.

Life magazine has called Carlo Pedretti "the world's foremost authority on Leonardo's manuscripts," and the fact that he has published 12 books and more than 100 scholarly articles would seem to bear that out. But Professor Pedretti's uniqueness lies not in dry scholarship, but in bringing the full genius of Leonardo into fascinating and immediate focus.

He approaches his subject with all the enthusiasm of a detective, and to a large extent he works very much like an investigator. He is personally responsible for the discovery of the last work of Leonardo's life, the Royal Palace at Romorantin, France, and for Leonordo's architectural role in building of the fortress of Imola, best known as the headquarters of Cesare Borgia. For the latter discovery, I understand that Professor Pedretti received Italy's highest academic honor, the Gold Medal of the President of the Republic.

Many other honors attest to Professor Pedretti's scholarly accomplishments, including a Guggenheim Fellowship, and our own Government's National Endowment for the Humanities. But the highest tribute to his exceptional talent for making his subject come alive is the fact that UCLA has already awarded five Ph. D. and M.A. degrees in the study of Leonardo, and three of Professor Pedretti's students are teaching at other colleges in California, establishing a tradition of Leonardo study in America.

Most recently, the professor has been expending his inexhaustible energies on behalf of a five-part television biography

of Leonardo which will air on CBS–TV this summer. Professor Pedretti is responsible for researching the drama and working with one of its sponsors, Eastman Kodak; he is attempting to alert millions of Americans to this in-depth study of the man who has been called "the beginning of the modern age." "The Life of Leonardo da Vinci" will be broadcast on five consecutive Sunday nights, beginning August 13.

Carlo Pedretti is giving his life to enrich the lives of others by acquainting them with the painter-sculptor-scientist-poet-musician-humanist who, in one single persona, encapsulated all that was unique about the boundless achievements of this incomparable genius, Professor Pedretti serves to remind us that our own limitations are perhaps more self-imposed and less real than we believe them to be. In an increasingly technological and bewildering society where many seem to wonder about the significance of an individual life that is a valuable service, indeed.

GEORGIA'S MULTICOUNTY REGIONAL COMMISSION—A MODEL FOR RURAL PLANNING AND DEVELOPMENT

Mr. HUMPHREY. Mr. President, in the course of our hearings on rural development last year, the Rural Development Subcommittee, of which I serve as chairman, traveled to the State of Georgia, where we had an opportunity to become acquainted with the organization and work of the State's multicounty—area—planning and development commissions. These commissions, now numbering 18 in the State, constitute a unique phenomena in the field of community development in this Nation. Many other States, and even the Federal Government, have designed area-wide community planning and development programs patterned after this pioneering effort.

It is no accident that the distinguished chairman of the Committee on Agriculture and Forestry, the senior Senator from Georgia (Mr. TALMADGE), is also a leading national spokesman and champion of rural development. His efforts and knowledge of this important subject are based upon substantive and real accomplishments in his own State.

In the development of the Rural Development Act of 1972, the Georgia APDC approach to rural area planning and development was kept very much in mind. Anyone reviewing this legislation can clearly see the strong influence that this approach had on us in developing this historic piece of legislation.

For the spring 1972 issue of the Journal of the Community Development Society, Dr. Ernest E. Melvin, professor of georgaphy and director of the Institute of Community and Area Development of the University of Georgia, wrote a highly informative paper on the development and operation of these commissions. So that other Federal, State, and local officials, and others interested in area-wide community planning and development, can gain some insights into the Georgia experience, I ask unanimous consent that Dr. Melvin's paper be printed in the RECORD.

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

THE MULTICOUNTY REGIONAL COMMISSION IN GEORGIA

(By Ernest E. Melvin)

ABSTRACT

The evolution of Georgia's multi-county (area) planning and development commission has been and is a unique phenomenon in community development. Locally created within the framework of enabling state legislation, these commissions, by sharing local resources and augmenting these with state and federal funds, have operated effectively as a type of delivery system in a variety of ways for these constituent communities, cities, and counties.

In order to accomplish this overall mission, certain program elements have been observed in the work of area planning and development commissions: goal formulation, fact-finding and research, projects development and conduct, coordination, public information and education, technical assistance and advice, problem and opportunity and identification and citizenship participation.

In their efforts to operate effectively as community development entities, the APDC's are confronted with several issues of immediate moment: better formulation of strategy, degree of involvement in implementation, provision of governmental services, board make-up, boundary determinations and inter-APDC competition.

The purpose of this paper is to yield some insights into certain aspects of the area planning and development commissions in Georgia illustrative of a special type of community development.

INTRODUCTION

The experience in Georgia in implementing multi-county regional commissions is and has been unique, though similar organizations can be found in many of the fifty states. The beginnings of the regional commission idea in Georgia date back for more than two decades, but the area planning and development commissions (APDC's), as they are generally identified in Georgia, did not begin to assume their current state of organization and structure until the formation of the Coosa Valley Area Planning and Development Commission in 1960 in Rome, Georgia.[1]

The area planning and development commissions were initiated as and are creatures of the combined and cooperative efforts of incorporated municipalities and counties, the legal status and responsibilities being established within the enabling framework of Georgia Act 358, 1957[2] as amended and further defined by other Acts including Georgia Act 123, 1967[3] and Georgia Act 1066, 1970.[4] Although Georgia Act 358, 1957 does not appear to be addressed directly to the multicounty planning and development commission matter, the act was interpreted as legal authority to establish and organize these multi-county entities.

Government at the state level has continued to support the concept, function and organization of area planning and development commissions to a significant degree from the very beginning of the APDC movement in terms of financial and technical assistance, program development and in other ways. In addition, area planning and development commissions have been clearly identified for planning, programming, coordination and review purposes by numerous federal departments and agencies, such identification being strengthened by directives such as the Office of Management and Budget Circular A–95.[5]

These commissions have become vital and effective public service entities which have demonstrated their uniqueness and integrity. Furthermore, by sharing local resources and augmenting these with state and federal funds, they have operated effectively as a type of delivery system for services in a variety of ways both for their constituent communities, cities and counties and for various units of state government.

In carrying out their avowed obligations and current and proposed programs, the leadership of the area planning and development commissions has recognized the constructive and mutual benefits to be derived from establishing and maintaining general understandings and close working relationships with agencies and groups at all levels, especially in state government.

Given the foregoing background as to the area planning and development commissions, the remainder of this paper is devoted to a discussion of the overall purpose, program elements and selected issues or concerns of the APDC's.

PURPOSE OR OBJECTIVE

In general, the purpose of multi-county planning and development commissions appears to be twofold:

1. to direct and/or coordinate the utilization of natural and human resources toward the overall physical, economic and social development of the area to insure orderly and efficient resource use to the end that people in the area can live a fuller and more productive life; and

2. to help develop strategies and mechanisms to implement plans and programs designed to accomplish efficient and effective improvement in the area and its component communities.

The specific purposes and objectives (or sub-objectives) of an area planning and development organization cannot be regarded as fixed. They must be periodically reviewed and reassessed as long-standing objectives are accomplished and new programs are considered. Likewise, objectives may change as difficulties are encountered and as new information is received that sheds new light on local problems and potentials.

Moreover, each multi-county area with its component communities is somewhat unique, and therefore differing specific goals and programs may be expected. Differences exist in the quantity and quality of basic resources, in compositions of economic bases, in status of development, and in degrees of need for solutions to particular problems.

Although certain principles and parallels are evident among all area commissions, there is probably no single "correct" approach to successful program development. Each planning and development group must identify its own set of priorities, consistent with the legislation under which it operates and its own particular set of conditions. Above all, however, the common purposes and causes of area planning and development commissions must be kept in mind to assure high levels of cooperation and comparability while at the same time permitting ready individuality and flexibility.

PROGRAM ELEMENTS

In order to accomplish their general mission as well as specific objectives, certain major program elements have been observed in the work of area planning and development commissions. The following annotated list identifies what appear to be the most significant program elements as reflected by the experiences of area planning and development commissions, especially as they function in Georgia.

Goal formulation involves a clear definition of the general mission and sub-objectives or specific goals of an APDC. Goals give direction and substance to the organizational work program and provide a set of standards against which to measure achievement. The

Footnotes at end of article.

recently completed "Goals for Georgia" program, taken to the people as a state-wide project, clearly suggests an approach to goal formulation and citizen participation. Although the "Goals for Georgia" program is addressed to problems and issues at the state level, many of the problems and issues facing multi-county areas parallel those at the state level; hence, the "Goals for Georgia" program offers a unique opportunity for a re-assessment of both general purpose and specific APDC goals.

Fact-finding and research involves periodic inventory and determination of present status and situation. Necessarily selective as to the kind of fact-finding and research undertaken, such work is essential.

(a) in goal formulation,
(b) as a basis for problem identification and analysis,
(c) for project development,
(d) for effective local planning assistance, and
(e) for assessment of area and local capabilities and needs.

Project development and conduct are concerned with the bundle of activities designed to attain specific goals. Individual projects are normally related to

(a) reasonably attainable specific goals,
(b) priority listing rankings,
(c) total program and other program elements and/or projects,
(d) appropriate administrative arrangements,
(e) community-wide support and understanding,
(f) financial capability to support the project,
(g) provisions for project continuation as appropriate, and
(h) supporting the primary mission of area commissions.

Proper coordination can help prevent duplication and help to assure program efficiency and is essentially a task of keeping "all the ducks in a row." The complexity and changing character of priorities, resources and assistance at all levels requires close coordination in order to

(a) stay abreast of new policies, guidelines and information,
(b) avoid duplication and develop mutual support and understanding,
(c) give or seek assistance, as appropriate,
(d) provide proper communication between and within program elements and projects,
(e) provide "feedback" opportunities, and
(f) keep all affected systems, agencies, institutions, etc., meaningfully related to the mission of the total program.

A well-planned *public information and education program* has proved vital in APDC experience in order to

(a) establish identity and an accurate image of the area planning and development organization,
(b) provide a general understanding of the mission and projects of an area planning and development program, thereby helping to prevent misunderstanding and allay fears which tend to arise when inadequate information is provided, and
(c) provide an information base for citizen participation, discussion groups, etc.

Providing *technical assistance and advice* on timely problems is a key function of planning and development groups. Knowledge about how to move to the next step in program or project development often requires technical information and professional advice for sound recommendations and subsequent decision-making. Professionally qualified staff often help clear up uncertainties that lead to further progress. Subject-matter areas where such help has been given include

(a) planning, housing and code enforcement,
(b) research and programming needs,
(c) public utilities,
(d) traffic engineering and safety,
(e) manpower development,
(f) tourism and recreation,
(g) industrial development,
(h) grant-and-loan and other assistance applications,
(i) criminal justice,
(j) comprehensive health planning,
(k) governmental structure and services and
(l) fiscal management.

Problem and opportunity identification is a continuing process which keeps area planning and development programs realistic and alive. Limited resources require carefully conceived strategy to resolve the most pressing short-range and long-range problems and to exploit opportunities. This in turn has required a discriminating sensitivity to problems and opportunities. The process of problem and opportunity identification is clearly related to

(a) precise goal formulation,
(b) fact-finding and research,
(c) project development, and
(d) a high degree of citizen participation.

Citizenship participation, especially by low-income and minority groups is definitely a public policy matter on that national level. Whether or not this policy is liked, understood, or accepted, the firm impact is being felt at the multi-county and local levels. A reasonably well assured participation of all kinds and classes of citizens is becoming more and more a part of the planning and development process which relates to

(a) voter decision-making,
(b) reliable assessments of all shades of public opinion,
(c) a greater degree of local involvement in the planning and programming process at all levels of the area, particularly among the principal leaders,
(d) closer identification with the community so that it becomes "our" program,
(e) the development of new leadership capabilities through citizen participation, and
(f) intra-community communication and cooperative arrangements.

This statement would be incomplete without recognizing a few of the major issues that most area planning and development organizations appear to be facing. The following diverse points are requiring serious deliberation, policy decisions, and action by planning and development groups in the next several years.

1. Better formulation of strategy

Many planning and development organizations have reflected some difficulty in the formulation of basic goals and strategies needed to guide and implement a successful program. There is concern that some programs have created symptoms of basic problems rather than the underlying causes responsible for underdevelopment.

A well-structured statement of basic functional relationships might help to relate the key determinants of development with statements of purpose. Such a "development framework" would enable the assessment and evaluation of activities and programs of the Commission in relation to other program components and provide a better basis to appraise the relative merits of each element. It might also suggest what types of new programs should be developed.

2. Degree of involvement

To what extent should area planning and development organizations participate in the implementation of the plans and programs which emerge? For example, should an APDC attempt to seek needed industry for the area? Should it engage in promotional programs designed to achieve growth but which at the same time might reduce its effectiveness as an objective planning body? To date, most planning commissions in Georgia have avoided this type of participation in community development projects, leaving the implementation of plans to private, civic and established governmental groups for such purposes. APDC's can, however, help provide basic tools and help to develop and organize strategy for resource utilization.

3. Provision of multicounty services

To what extent should multi-county planning and development organizations accept responsibility for services normally administered by operating units of county and municipal governments? In some cases, it has been shown to be economically and technically efficient to provide such multi-county services as building inspectors. Because this type of service ultimately involves a degree of enforcement, the planning organization would become in some degree a quasi-governmental body. Most planning and development organizations have avoided this role. But the issue, nevertheless, is quite real because the dividing line between the provision of conventional planning-type services and involvement in governmental operations is not always clear. One operational approach has been the provision of direct services on a pilot or demonstration basis with take-over eventually by a unit of local government or a combination of such units.

4. Area planning and development commission board make-up

The matter of the structure of boards of directors of the APDC's has been a matter of local choice, a great deal of leeway being recognized in the state law. Quite a large number of the APDC boards are made up of two members from each county, one representing municipal government and the other representing county government. A few commissions have proportionate representation.

Although additional types of representation, committee structures and adjustments have been made for particular purposes, the basic make-up of the boards of directors has remained stable, intact and effective. In very recent months, federal agencies involved in funding portions of some APDC programs have issued directives—conflicting directives—governing the makeup of APDC boards of directors. This is presenting a serious challenge. For one thing, the right of local determination of board make-up could be in danger of being abrogated. For another thing, there is a considerable divergence in board make-up requirements as between at least two federal agencies—the Economic Development Administration and the Department of Housing and Urban Development—so that APDC's utilizing both EDA and HUD funds may find it confusing or perhaps virtually impossible, to comply.

Thus, a critical issue now on the scene is the extent to which APDC autonomy may be weakened or penalized as a condition for their participation in federal assistance programs.

5. Boundary determinations

One of the issues of significant and current moment is the matter of determining the county make-up of specific APDC's. A brief review of factors affecting the groupings of counties as they worked toward the organizing of APDC's and as identified in the Northam study indicates

(a) "natural regions coincident with physical geographic regions,
(b) trade and service orientation with respect to dominant urban centers, and
(c) a combination of these factors.

Subsequent observation has yielded two additional and significant factors

(a) a broad-based need for overall planning and development in areas where the three elements mentioned are less important, and
(b) the will to work together on problems and opportunities of mutual interest. [1]

Thus, until comparatively recent times, what counties might choose to combine for

areawide planning and development purposes was largely a local matter.

Boundary determination clearly became a matter of state concern as dealt with in Sections 11 and 12, Georgia Act 1066 of 1970. However, the right was reserved as provided for in Section 12, for any unit or units of local government to petition for amending or changing boundaries as established pursuant to section 11.[6]

On August 6, 1971, Resolution No. 2 of the State Planning and Community Affairs Policy Board, implemented Section 11, Georgia Act 1066 of 1970, with the result that some individual counties were "transferred" from one APDC to another.[7] A major effect was the "abolition" of the Georgia Southern Area Planning and Development Commission. Resolution No. 2 also implemental Section 12.

Acceptance of Resolution No. 2 has ranged from acquiescence to opposition with a basic concern as to the extent to which boundary determinations can be made locally. Section 12, Georgia Act 1066 of 1970, appears to provide at least a partial remedy, but it is evident that the base for decisions regarding APDC boundaries has shifted from local to state level. Whether this is good or bad is a moot point, but it is a serious matter in the minds of some APDC leadership. As of this writing, two or three approaches have been taken to make adjustments in implementing Resolution No. 2.

6. Competition and/or cooperation

One of the real problems of and challenges to the APDC movement has been the institutionalization of individual area planning and development commissions to the extent that it has been suggested in influential levels at state government that area planning and development commissions have become highly individualized and sometimes lacking in common purpose.

The leadership of the area planning and development commissions recognize that individuality, flexibility and compromise in terms of varying local (multi-county) conditions are essential, but they also recognize that they have vital common cause and the urgent need to establish and maintain cooperative relationships and working arrangements—between and among APDC's and between APDC's and departments of state government.

In a major effort to prove that the area planning and development commissions have common cause, the Georgia Regional Executive Directors' Association appointed a committee to evolve a program proposal setting forth areas of concern and recommended action. These areas have been agreed upon as common to and supportable by all eighteen area planning and development commissions. This is a very important and organized effort which can substantially benefit their collective image and understanding; it can also help to make more effective various departments of state government.

Therefore, one of the critical issues, perhaps better called an opportunity, for Georgia area planning and development commissions involves striking a reasoned and acceptable balance in competitive and cooperative relationships.

The purpose of this paper has been to yield some insights into certain aspects of the area planning and development commission movement in Georgia. Pioneering and unique in being, the eighteen area planning and develment commissions have both commonalities and distinctive personalities. Several program elements, which might be categorized as scope of the program and are common to a large degree to all area planning and development commissions, has been discussed as to their place in overall workings of APDC's. Six major issues facing area planning and development commissions have been identified as matters of urgency in the future of the APDC movement. It is in the successful meeting of these and other issues not yet so apparent that the area planning and development commission movement has a tremendous opportunity to continue a pioneering phenomenon in the multi-county development concept.

ACKNOWLEDGMENTS

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FOOTNOTES

[1] The Atlanta Region Metropolitan Planning Commission was established soon after World War II under special legislation and under conditions different from the typical area planning and development commission (APDC) which is the subject of this paper.

[2] 1957 Ga. L. 420 [Ga. Code Ann. Sec. 69–1201 (Supp. 1970)].

[3] 1967 Ga. L. 252 [Ga. Code Ann. Sec. 40–2901 2–2907 (Supp. 1967)].

[4] 1970 Ga. L. 321 [Ga. Code Ann. Sec. 40–2901 2–2924 (Supp. 1970)].

[5] Circular A–95, Office of Management and Budget, Executive Office of the President. July 24, 1969.

[6] 1970 Ga. L. 321, *op. cit.*

Section 11. The State Planning and Community Affairs Policy Board, within 12 months, and in consultation with the Advisory Committee on Area Planning and Development, local governments and State Agencies, shall report to the Governor the boundaries for Area Planning and Development Commissions embracing the entire State. No county shall be divided in forming an Area Planning and Development Commission. The boundaries for existing Area Planning and Development Commissions shall be used if practicable.

Section 12. (a) At any time subsequent to the establishment of boundaries of any Area Planning and Development pursuant to Section 11 of this Act, any unit or units of local government may petition the State Planning and Community Affairs Board to amend or change the said boundaries.

(b) The Policy Board in consultation with the Advisory Committee shall create and promulgate policies and procedures for effective changes of boundaries.

(c) No unit of local government, until it joins an Area and Planning Commission by official action, shall be represented in the Area Planning and Development Commission.

[7] Resolution No. 2, Policy Board of the Bureau of State Planning and Community Affairs, August 6, 1971:

Whereas, acting pursuant to the authority provided for in Section 11 of Georgia Act 1066, Ga. Laws 1970, and pursuant to the direction of the Governor of the State of Georgia in accordance with OMB A–95 and related circulars, the Board on June 22, 1971 adopted tentative boundaries for the Area Planning and Development Commissions embracing the entire State and held a public hearing thereon on July 29, 1971; and after further consideration including consideration of testimony heard at the public hearing and the written comments submitted to the Board relating to the boundaries of the Area Planning and Development Commissions;

Now therefore, the Board acting in accordance with the authority and direction of the aforesaid does hereby resolve as follows:

1. That the map attached hereto marked Exhibit A be and the same hereby is adopted as the boundaries for the Area Planning and Development Commissions embracing the entire state of Georgia;

2. That changes in existing boundaries be fully implemented by no later than July 1, 1972, except that in the case of the Metropolitan Atlanta Area Planning and Development Commission, the counties of Rockdale and Douglas be included for purposes of Act 1066 by no later than July 1, 1972, but that for any other purposes of Ga. Act 5, (H.B. 84) Ga. Laws 1971, and in particular for purposes of defining the Area as provided for in Section 1 of Ga. Act 5, (H.B. 84) Ga. Laws 1971, the inclusion of Rockdale and Douglas Counties should be implemented by no later than July 1, 1973;

3. That all future plans involving local governments which are affected by boundary changes resulting from this resolution be effectuated as soon as possible through the Area Planning and Development Commission in which the local government is situated as a result of this resolution;

4. That the Governor is urged to use all the resources of his office to assist any local government which might be affected by reassignment so as to avoid or diminish any adverse economic or other consequence which otherwise might result from such reassignment;

5. That the Area Planning and Development Commission boundaries established by this resolution, or combinations or subdivisions thereof, be utilized insofar as possible as the State Regional Districts for delivery of services from and coordination with all State and Federal agencies and State and Federal programs administered or coordinated on a state/regional basis;

6. That recognizing that area services by State and Federal agencies may require the encompassing of larger areas in some instances than those provided for in the Area Planning and Development Commissions the Board recommends and urges that the combined area consisting of Area Planning and Development Commissions or combinations thereof as appear on the map attached hereto marked Exhibit B, be utilized and further recommends that the area Planning and Development Commissions establish regional cooperation within the area set forth in Exhibit B;

7. That the Board remain cognizant of its authority under Section 12 of Act 1066, Ga. Laws 1970, hereafter to amend or change the Area Planning and Development Commission boundaries established by this resolution.

Exhibits A and B are included as Figures 2 and 3, noted in text.

ADDRESS BY COL. BARNEY OLDFIELD, U.S. AIR FORCE, RETIRED, BEFORE CLASS 72–H GERMAN AIR FORCE — LUFTWAFFE — GRADUATION DINNER

Mr. GOLDWATER. Mr. President, in these days of expanded international cooperation in the interests of a peaceful world it is important that the men from other countries whom we have the privilege of training in this country should get some idea of what we believe in and what the future holds.

In this connection I invite the Senate's attention to a remarkable address delivered by Col. Barney Oldfield, U.S. Air Force, retired, of Litton Industries, Inc., before the class 72–H, German Air Force—Luftwaffe—graduation dinner at Luke AFB in my home State of Arizona on July 1. I quote just one paragraph from the colonel's speech to give Senators an idea of the approach taken by Colonel Oldfield. Here is what he said:

As you graduate *here* tonight—not in your native land, but here in Arizona, a part of the United States—it is no mere symbolism but a real fact of international inter-dependence. Uniformed and in the military service of a country other than the one you are in, and have made your home for almost two years, part of your wonder about the future rests on the new attitudes which seem to be rising all about us. There is a great urge to exchange *stalemate* and *standoff* as defense policy, for *relaxation* and *reconciliation*.

Mr. President, I ask unanimous consent to have Colonel Oldfield's remarks printed in the RECORD.

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

REMARKS OF COL. BARNEY OLDFIELD

Members of the Luftwaffe Class 72–H and friends: It was kind and generous of you to invite me to be with you on this important occasion in your life. It was 40 years ago that a like event, a similar occasion happened for me. It resulted in a reserve commission, which seemed very remote as an influence on the life style I had in mind. But as I did then, you look out ahead from this night, and naturally, you wonder what lies there. What are the things, the events—big and small, those moments of such great consequence, which await you?

Having the advantage of hindsight, I now know what lay there for me in terms of military life. And it was a wonderful, fulfilling career, more spent in peace by far than in war. This I offer as evidence that securing peace by strength is the best way of maintaining it, and negotiating from strength is the best way of insuring peace.

If I may use all this as a basis for prophecy for you, one of the important properties, or ingredients of a future can be excitement.

When I was commissioned in 1932, I had never been out of my own country before. Now, I have lived and worked and done assignments in sixty countries and the end is not in sight. The key to being on every continent was that military commission. It is natural to assume that your key to a similarly exciting span of life is by far the greatest of the graduation presents you are being awarded here tonight! The additional fact that it is an 'unknown', and can only be wondered about, gives it the additional dimension of anticipation. If we knew everything which lay ahead, life would be dull, indeed. So, on this night, this milestone occasion, savor that anticipation and take with you from here the assurance of impending excitement.

If one of your questions is *HOW* this will come about, it is only natural. To a young person committed to a military career—even if only partially so; surely, if totally for a full and active life; and particularly so, if it is a flying career—there is a tendency when young to assume that flying will always be a primary part of it all. Perhaps it will. But, be flexible in the face of your opportunities, and the assignments you are willing to take, and the *HOW* your excitement may come to you will be greatly expanded. Your *HOW* can be in schools you may be permitted or asked to attend, in exchanges with our or other countries, service on special boards, study groups, and interesting staff assignments, and in special projects. Never say NO! Take any and every offer that comes your way, even if the relationship with what you think military life should include may seem dim and obscure. An unusual experience may await you there, and one you will remember as long as you live.

If one of the things you wonder is *WHY* this excitement may border on the un-expected when it comes about, all one has to do is study the swirling forces in evidence around us. You were born and came to manhood in a country which has been at the crossroads of Europe for so long, whole generations of political leaders have always weighed the factor of Germany in contemporary as well as potential future situations. It is surely no different now. And the political leadership of Germany is equally aware of the patchwork of national differences—in ideologies, characteristics of peoples, and geographic locations and resources—which lie beyond its borders and must be considered. As you graduate *here* tonight—not in your native land, but here in Arizona, a part of the United States—it is no mere symbolism but a real fact of international interdependence. Uniformed and in the military service of a country other than the one you are in, and have made your home for almost two years, part of your wonder about the future rests on the new attitudes which seem to be rising all about us. There is a great urge to exchange *stalemate* and *standoff* as defense policy, for *relaxation* and *reconciliation*. Even if the latter are brought about, it hardly means that military establishments and presence will be abandoned. There should be stronger probabilities that the necessity for viligance and back-to-back operational missions to maintain that vigilance will be reduced in number, and this will give you other opportunities for participations which can broaden your outlook, making you nearer the whole man and less the specialized one. One need never lose his professionalism while broadening himself, and it will help you in this transitioning period to understand the *WHY* of all the directional changes in international affairs. Your professional antenna will help you sense what it takes to keep things *in balance*, and when *imbalance* brings on a degree of danger against which to be newly alert.

Another of the imponderables which are out there before you tonight is *WHEN* these excitements will present themselves. There, I can't be of much help to you. You will have to determine those things, when they confront you individually. You may feel them coming toward you. You can study the implications of what goes on around you. But only you will know *WHEN*. It is one of the marks of the professional that he is able to make appraisals, and sense significances before others. In America, at the start of the second decade of this century, we had a 3-star general who fixed the military specifications of an aircraft saying it should be able to fly at least three days' march ahead of an infantry column, and return, and when not in use, that it could be collapsed and hauled on an Army wagon! Fortunately, we had other officers, younger, more visionary, with lesser rank but of necessity seeing their futures stretching much further than his, and they saw the possibilities of air power more clearly. Later, the shortcomings of the general's thought processes were defended by those who said he was expressing the "contemporary view" of his time. No man who is a general, or in any other position of top executive responsibility, has a right to limit himself to the contemporary—he's entrusted with too much of the responsibility for man's security continuity, too much influence on man's thinking, too much leadership, and too much of the existence in safety of all the people he is assigned and sworn to protect to be allowed such a meager charter for his existence. For those of you who may become generals, I caution you to remember this especially. For those of you who do not, but who become top staff officers, I entreat that you give the generals you serve such bolstering and projecting advice.

One of the things inherent in flying is that the horizon is physically at a greater distance from you than it is for lesser men who see it only from ground levels. But, because it is farther away, and you have both wings and speed, plus the 20–20 vision to survey it, it can either bring on you a curse if you are short of the mark in your assessments of what you see ahead, or you can instill confidence in your superiors who will give you your succession of assignments if they feel you not only see better, but see whole vistas rather than just small things, and that you sense with growing perception the meanings of what you see.

The way and the attitude with which you approach things will be of utmost importance. In our highly complex society, it provides compensation for those who lead, and also, for those who mislead. We regard those who take the high ground, and those who deny it. More than 300 years ago, Sir Isaac Newton, as an example, had the famous apple fall on his head as he dozed under a tree in England. From that experience, and because he was possessed of an analytical mind, he deduced the famous and inexorable Law of Gravity. But such are the varying positions of Mankind, and attitudes of those positions, it is interesting to think about what might have happened if certain other people had witnessed it and had forced themselves into the act with him. If there had been some of our present day lawyers and legislators standing by, surely they would have rushed forward, counselling Sir Isaac to sit right there until a doctor could be sent for—not just any doctor, but a Doctor with the correct point of view. This Doctor would then be asked to verify physical damage to Sir Isaac, which when carefully and pointedly fabricated could be used as the basis for preventive legislation for the growing of apples as a hazard to human welfare, and for taking Sir Isaac into court where he could bring suit against the farmer who owned the apple tree—for damages and discomfort and mental stress and possible future physical impairment which would surely result from this awful accident!

Fate was with Sir Isaac, in that he was apparently alone at the time, and didn't need fame gotten in this manner, nor monetary damages, and such legislation was not the order of those days. Man was to go from Newton's deductions to build the machines with which he could escape gravity's relentless grip, could make gravity serve in earth orbit successes, and even when propulsion systems were invented to spring him beyond gravity's clutches to go exploring the universe, the certainty of its behavior could be relied on to pull him home to earth again.

Your period of professional life coincides with a time when there is a kind of war which must be won every day we live—it's what we call our technological war. Won by

peace-oriented men, it can insure international serenity; but if it is won by the ambitious and power-hungry, it can only be viewed with concern. To some, a war is being waged on technological advance itself. You, who know so much of its meaning as it has touched you, will always have grave responsibilities in convincing people that technological advance is the key to advancing civilization and solving its problems, while technology restrained is a retreat into the primitive culture from which generations of men sweated, and thought, and conceived and built the bridges to a better life for all of us who enjoy and are shielded by the fruits of that technology today.

Therefore, on this significant night of your life, the excitements you have already known will probably seem pale alongside those which must surely await you after you leave Arizona. While I could never have known 40 years ago that there would be a North Atlantic Treaty Organization, a NATO; that it would be the means by which your country would be re-admitted as a full member into the family of great nations of the west, neither could I know that I would be on Order No. 1—1 as General Eisenhower's advance man when he made the original pre-command assumption survey of what were to be the militarily contributing nations to NATO. It is something now for me to recall a part in giving substance and meaning to that Treaty association, to have given confidence to the war-shattered leaderships of so many countries, to have participated in bringing about economic ties of great magnitude, and to have been there in the altering of the traditional face of Europe. Neither could I know that this occasion would be there for me to talk to young and dedicated people such as yourselves, who have the mission of protecting the extension of all these positive accomplishments.

Who knows what kind of similar milestones in history will know that you passed their way? When the time comes, give it everything you can. It will always be up to you to be ready for the size and challenge of whatever form it takes.

That's why I say the *promise of excitement* is the best of the graduation presents you receive tonight. How? Why? When? And of course, where will it come to you?

I hope when it does come I hope you will remember that I warned you this night that it would surely come, because I will always remember you and the fact that you asked me to join you this night. Good luck!

CAPTIVE NATIONS WEEK

Mr. HUMPHREY. Mr. President, I join Senators today in commemorating the 13th observance of Captive Nations Week, first observed by Congress in 1959. While hardly a festive occasion, this week can serve as a time for putting diplomatic events in their proper perspective, for recognizing the fact that persecution and the deprivation of human liberty is still the prevailing rule in Eastern Europe and within the Soviet Union itself. There are, indeed, nations and people which are held captive against their will and American foreign policy should seek peaceful ways of obtaining their release, and in so doing, improving their welfare. This goal has been a part of the American tradition since the foundation of this Republic, and we should not be so callous as to discard it now when the need for idealism in foreign policy is greater than ever before.

It is, therefore, in this somber spirit that I join others throughout the country in commemorating Captive Nations Week with all due respect to Americans of Eastern European descent and to their relatives, families, and citizens of these countries.

GUARANTEED JOBS

Mr. HARTKE. Mr. President, the past 2 years of Nixonomic stagflation have pointed up the failure of the traditional fiscal and monetary tools in achieving full employment with reasonable levels of prices.

The Hartke guaranteed jobs bill is specifically designed to break out of the current Keynesian trap and move toward a goal of zero long-term unemployment and stable prices.

Focusing on labor market studies, manpower training programs, efficient use of employment services, and judicious use of public employment, new policies can be forged to bring about steady prices and real full employment.

I have long pointed to the pioneering efforts in this field of Prof. Melville J. Ulmer, of the University of Maryland. In a recent article in the Washington Post, Professor Ulmer succinctly lays out the guideposts for a new national offensive on the unemployment problem.

Mr. President, I ask unanimous consent that Professor Ulmer's article be printed in the RECORD.

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

KEYNESIAN NOSTRUMS REJECTED: ENDING JOB-INFLATION DILEMMA

(By Melville J. Ulmer)

Old ideas seldom fade away in economics. More commonly, they explode, with reverberations, sometimes strong enough to unseat governments.

Herbert Hoover was undone by his devotion to the theory that capitalism is self-equilibrating, that depressions can cure themselves. The man who assumes the presidency in January, whether Mr. Nixon, Sen. McGovern or someone else, may be holding another bombshell in the notion that modern economic instability—persistent inflation and unemployment—will yield to the conventional nostrum of Keynesian fiscal policy. All experience, in the United States and elsewhere, says that it won't.

Since the end of World War II, our economy has been rocking back and forth between excessive unemployment and excessive inflation, never succeeding in banishing both at the same time. Nor have the undulations shown consideration for either Republicans or Democrats. Despite superficial squabbling, both parties have used the same correctives, and with equal ineffectiveness, in a pattern by now familiar to all.

According to the accepted formula, when recession threatens, increase government spending, or reduce taxes, or both; then mix carefully with easy money. When inflation threatens, do just the opposite. It sounds simple, and is—too simple. For it turns out that the more the economy is pumped up to reduce unemployment, the more prices rise, as President Kennedy and Johnson found in the 1960s. Sharply rising prices, of course, need to be corrected. But then, the more the economy is dampened to fight inflation, the more unemployment spreads and deepens, as President Nixon discovered in 1970 and 1971. Similar experiments, in much the same way, were performed earlier by Presidents Truman and Eisenhower.

The net result of our roller coaster economic pattern is that unemployment over the past 23 years excluding the Korean War averaged more than 5 per cent of the labor force, although true, honest-to-goodness full employment would require a rate of not more than 2 per cent. Over the same period, the cost of living rose by 75 per cent. Meanwhile, our national efforts to alleviate poverty, improve health and education, or deal with other basic problems have been diverted and undermined by the endless cycle of dangerously rising prices and deepening recessions.

Ironically, it is predominantly the weaker, most defenseless sectors of society that take the brunt of the burden of instability. It is they—the poor, the black, the young, the unskilled and semiskilled and women whom we thrust into the front lines in our recurring wars against inflation. It is they, primarily, who are jobless a large part of the time, and for some, most of the time.

Nor is full employment without inflation impossible in our society. It is a hopeless goal only so long as we are tied exclusively to the conventional unwisdom of Keynesian fiscal policy. A first step in the right direction requires recognizing why we have been unable even to approach full employment without encountering intolerable inflation. One answer lies in the nature of the demand and supply for different types of labor.

It would be a miracle if industry's demands for labor, as the economy expanded, coincided exactly with the particular distribution of skills and experience in the available labor force. It never does. Even now, as our economy is just beginning to recover from a serious recession, unemployment rates are about as low as they can get, 2 per cent or less, for most types of skilled people such as professionals, technicians, administrators, machinists, mechanics or electricians. In contrast, unemployment rates range from 7 to 11 per cent for the unskilled and the semiskilled, who together account for four fifths of the jobless. Also among the unemployed, although relatively small in the national total, are young teachers, space engineers and some other highly trained men and women displaced by changes in technology, population trends or patterns of spending.

Since they do not meet industry's prime requirements, it has never proved possible to get many of the unskilled or the technologically displaced into jobs simply by pumping up aggregate demand. When the effort is made, and the nation's spending is expanded, demand soon exceeds supply for the sundry types of skilled workers for which industry's demands are keener. Then wages and prices spin into their familiar spiral, and thoughts turn to the need for a "corrective" recession. Even at the peak of the last inflationary surge, in 1968 and 1969, the unemployment rate remained as high as 7 per cent for industrial laborers, although it was 1 per cent or less for technical workers, and their salaries skyrocketed.

Hence, no matter what President Nixon or Sen. McGovern may promise, neither can move the economy into full employment in the foreseeable future, using the simple Keynesian techniques to which both are committed, unless they are willing to tolerate an inflation larger than any this nation has sustained in peacetime history.

The foregoing suggests that, instead of bluntly pumping up the economy, we ought to change the structure of the demand for labor so that it fits the supply. To do so in the easiest and most efficient way requires a more vigorous use of the federal government's prerogatives than either Republican or Democratic administrations have thus far been willing to make. The outstanding fact on the economic scene today is the nation's dire need for a variety of public goods and services ranging from mass transportation to pollution control. One way or another, these

needs must be met in the future. What is more logical than for the federal government to use available, idle resources—that is, the unemployed—to provide such goods and services directly?

THE DEMOCRATIC PARTY AND ISRAEL

Mr. CHURCH. Mr. President, the Democratic Party and its new leadership solidly support the State of Israel.

Last week at the Democratic National Convention in Miami Beach, the Democrats reaffirmed their unequivocal commitment to the independence and security of Israel.

The convention delegates strengthened the platform plank on the Middle East. And Senator GEORGE MCGOVERN, in his acceptance speech, pledged himself to keep America strong enough to shield old allies, including the people of Israel. This was the first time in convention history that a presidential candidate, in an acceptance speech, explicitly affirmed his support for Israel. Senator MCGOVERN said:

Now it is necessary in an age of nuclear power and hostile forces that we be militarily strong. America must never become a second-rate nation. As one who has tasted the bitter fruits of our weakness before Pearl Harbor in 1941, I give you my pledge that if I become the President of the United States, America will keep its defenses alert and fully sufficient to meet any danger.

We will do that not only for ourselves but for those who deserve and need the shield of our strength—our old allies in Europe and elsewhere, including the people of Israel who will always have our help to hold their Promised Land.

In testimony before the party's platform committee, prior to the convention, several prominent Democrats submitted recommendations for a strong Middle East plank.

The distinguished Senator from Connecticut (Mr. RIBICOFF) submitted the following recommendation:

The recent massacre at Lod Airport and the undisguised glee expressed over this bloody event in Cairo and Beirut demonstrates the continuing threat to Israel. At the time, Soviet Military and economic penetration in the Middle East continues unabated. The Iraqi takeover of the British Petroleum Co. and Moscow's eagerness to exploit this seizure highlights the danger to vital American interests in the Mediterranean and Persian Gulf areas.

The maintenance of a strong and secure Israel should be the cornerstone of American policy in the Middle East. Israel has proven its steadfastness, courage, and dedication to democracy. It deserves our continuing military, economic, and diplomatic support.

Our platform should pledge to continue our diplomatic efforts to bring Israel and the Arab States to the peace table where they must negotiate directly. Any resulting peace treaty to be lasting must include agreement on secure and recognized boundaries.

We should oppose any revival of the administration's Rogers Plan of December 1969 and any efforts by outside parties to dictate the terms of any settlement.

In order to prevent a resumption of hostilities, we must maintain Israel's deterrent strength, providing it with the advanced planes and weapons essential to carry out this task. Israel must also have the appropriate economic supporting assistance to maintain the viability of its economy threatened by a crushing defense burden brought on by the Soviet Union's presence in the Middle East and its lavish military assistance to the Arab States.

The Democratic platform should also support a strong and credible U.S. defense posture in the Mediterranean Sea and in the Persian Gulf to deter Soviet aggression in the area.

We should oppose any efforts to divide Jerusalem and turn the clock back to former Arab misadministration of the Holy City. Under Israeli administration Jerusalem has been united and the holy places are now accessible to all faiths.

We should support the movement of the American Embassy from Tel Aviv to Israel's capital, Jerusalem, as well as our position that the Suez Canal and the Straits of Tiran are international waterways which must remain open to the shipping of all nations.

Large-scale assistance must also be provided to the Palestinian Arab refugees, along with U.S. cooperation in any international programs designed to facilitate their resettlement in Arab lands. The Arab States must begin to welcome Arab refugees in the same way that Israel resettled hundreds of thousands of Jews from the Arab countries.

We must urge the Soviet Union to permit the emigration of Jews from the Soviet Union and express the hope that the Soviet Union will grant exit permits to those who seek to go in Israel and that they will cease the harassment and intimidation to those who have applied for visas. Israel should receive our assistance to cover a portion of the costs of absorbing these new emigrants.

When placing GEORGE MCGOVERN's name in nomination, Senator RIBICOFF referred to the survival of Israel as a major concern of the South Dakota Senator.

Abram Chayes, former legal adviser to the State Department, and now a professor at Harvard Law School, a MCGOVERN adviser on foreign affairs, proposed to the platform committee that the party should provide unequivocal support of Israel's right to exist within secure, defensible borders. He said the United States should reject the Rogers' plan or any other scheme for an imposed settlement by outside powers. Mr. Chayes strongly recommended the maintenance of Israel's deterrent strength by providing, as needed and without conditions, the weapons to offset Soviet-supplied military equipment to the Arab countries. And like Senators MCGOVERN, HUMPHREY, and other Democratic candidates, Mr. Chayes proposed the transfer of the U.S. Embassy from Tel Aviv to Jerusalem. He also called for the maintenance of a strong U.S. military posture in the Mediterranean and the Persian Gulf.

In my own statement, submitted at the request of the platform committee, I said the following:

As for the Middle East, I am in full agreement with Senator George McGovern when he says "there is no common element between the lamentable role we have played in Indochina and the role we must continue to play in the Middle East . . . because we make a mistake in backing a corrupt dictatorship in Saigon is no reason at all to deny our economic, diplomatic and political help to the free and independent state of Israel."

Our goal in the Middle East should be to encourage a secure peace between Israel and the Arab states, a peace not imposed artificially from without, but one based upon a realistic settlement reached by the adversaries themselves. Only such a peace will ever produce genuine reconciliation and mutual respect between neighbors.

Meanwhile, we must pursue policies that discourage further bloodshed and improve the chances for eventual reconciliation. This means that we must see to it that Israel's deterrent strength is maintained, providing it with sufficient numbers of advanced aircraft and other weapons essential to its security.

In this regard, it is noteworthy that the initiative to strengthen and support Israel has stemmed from the Democratic Congress, rather than the Republican Administration. Year after year, Congress has overridden Administration opposition, to both earmark for Israel and increase the amount of military assistance; ease the repayment terms on military sales; include additional money to help Israel cope with the new influx of Soviet Jews; and furnish financial support to Israel's overburdened economy which must maintain at the ready defending forces sufficient to counteract the Russian build-up of Arab military capability.

The Democratic platform should also support the maintenance of a strong and credible U.S. military posture in the Mediterranean Sea and in the Persian Gulf, as long as the Russian presence there makes such a deterrent necesssary.

* * * * *

The Democratic Party should favor military assistance, whether by grant or credit policy, only in support of free governments, as in the case of Israel, or in those particular cases where the actual security interests of the United States plainly require it.

At the convention in Miami Beach, the Democrats debated an already strong Middle East plank in the draft platform, and reinforced it further on the floor, adding new language recommended by Senator JACKSON. The plank originally included a provision to:

Maintain a political commitment and a military force in the area amply sufficient to deter the Soviet Union from using military force in the area.

The revised plank now reads:

Maintain a political commitment and a military force in Europe and at sea in the Mediterranean ample to deter the Soviet Union from putting unbearable pressure on Israel.

I ask unanimous consent that the planks of the Democratic Party platform, pertinent to Israel, be printed in the RECORD, along with commentary on the platform debate and related matters, including Senator EAGLETON'S views, as published in recent editions of the Near East Report, a Washington newsletter which focuses on U.S. policy in that vital part of the world.

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

. . . FOR THE PEOPLE

1972 PLATFORM OF NATIONAL DEMOCRATIC PARTY

Middle East. The United States must be unequivocally committed to support of Israel's right to exist within secure and defensible boundaries. Progress toward a negotiated political settlement in the Middle East will permit Israel and her Arab neighbors to live at peace with each other, and to turn their energies to internal development. It will also free the world from the threat of the explosion of Mid-East tensions into world war. In working toward a settlement, our continuing pledge to the security and freedom of Israel must be both clear and consistent.

The next Democratic Administration should:

Make and carry out a firm, long-term public commitment to provide Israel with aircraft and other military equipment in the quantity and sophistication she needs to preserve her deterrent strength in the face of Soviet arsenaling of Arab threats of renewed war;

Seek to bring the parties into direct negotiation toward a permanent political solution based on the necessity of agreement on secure and defensible national boundaries.

Maintain a political commitment and a military force in Europe and at sea in the Mediterranean ample to deter the Soviet Union from putting unbearable pressure on Israel.

Recognize and support the established status of Jerusalem as the capital of Israel, with free access to all its holy places provided to all faiths. As a symbol of this stand, the U.S. Embassy should be moved from Tel Aviv to Jerusalem; and

Recognize the responsibility of the world community for a just solution to the problems of the Arab and Jewish refugees.

Europe. We welcome every improvement in relations between the United States and the Soviet Union and every step taken toward reaching vital agreements on trade and other subjects. However, in our pursuit of improved relations, America cannot afford to be blind to the continued existence of serious difference between us. In particular, the United States should, by diplomatic contacts, seek to mobilize world opinion to express concern at the denial to the oppressed peoples of Eastern Europe and the minorities of the Soviet Union, including the Soviet Jews, of the right to practice their religion and culture and to leave their respective countries.

[Near East Report, June 28, 1972]

PLATFORM TESTIMONY

Professor Abram Chayes of Harvard University, who was counsel in the Department of State during the Kennedy and Johnson Administrations and who has headed a McGovern foreign policy task force, proposed unequivocal support of Israel's right to exist within secure, defensible borders; the rejection of the Rogers' plan or any other scheme for an imposed settlement; the maintenance of Israel's deterrent strength by providing, as needed and without conditions, the weapons to offset Soviet-supplied military equipment; and the transfer of the U.S. embassy from Tel Aviv to Jerusalem, Israel's capital.

Countering claims by McGovern's critics that his defense program would weaken the U.S. defense posture in the Mediterranean, Chayes called for the maintenance of a strong U.S. military posture in the Mediterranean and the Persian Gulf.

Similar proposals were made by Senators Abraham Ribicoff (D-Conn.) and Frank Church (D-Idaho).

In calling for the maintenance of Israel's deterrent strength, Church struck at Administration campaign documents emphasizing that U.S. aid to Israel has increased during the Nixon Administration.

"It is noteworthy that the initiative to strengthen and support Israel has stemmed from the Democratic Congress, rather than the Republican Administration," Church said.

"Year after year, Congress has overridden Administration opposition, to both earmark for Israel and increase the amount of military assistance, ease the repayment terms on military sales, include additional money to help Israel cope with the new influx of Soviet Jews, and furnish financial support to Israel's overburdened economy, which must maintain at the ready defending forces sufficient to counteract the Russian build-up of Arab military capability."

Representative Robert F. Drinan (D-Mass.) emphasized the differences between "the nature of our involvement in Indochina and the Middle East.

"The very reasons for our withdrawal from Indochina are reasons for our support of Israel," he said.

Drinan was at Lod Airport six hours after the massacre.

"What I saw at Lod Airport that horrible morning several weeks ago, and what I heard from the Arab nations in the days following the massacre gave me a visceral awareness of just how tenuous Arab-Israel relations are.

"The inflammatory, irresponsible statements of Arab leaders condoning and applauding the slaughter of innocent civilians in Israel aroused my conviction that when nations so act, we stand by silently at our peril.

"It deepened in me a sense of how real the danger of massive slaughter is. And it made me believe more intensely than ever that if American support—loans for military equipment and grant economic aid—is needed to inhibit the proliferation of violence of this kind, then we would be dead wrong if we withheld that support."

In his conclusion, Drinan declared: "We must assert a policy toward Israel which harmonizes our sometimes apparently conflicting desires for noninvolvement, for nonarrogance in our relations overseas, for an arms slowdown, with our wish to assure the survival of a nation which represents the best of many things in which we believe."

[Near East Report, June 28, 1972]

CONGRESS DEMANDS ACTION AS COUNCIL FAILS

The 124-nation body, a specialized UN agency with headquarters in Montreal, has amended its constitution to allow member countries to impose sanctions against nations which help or harbor hijackers. Under the new measure, a country could suffer sanctions if other ICAO members considered it to have cooperated with "airborne outlaws."

The resolution further calls for the immediate convening of a special subcommittee to begin drawing up a new international convention on air piracy.

CONGRESS ACTS

Congressional reaction against the recent wave of hijackings and terrorism mounted last week as Sen. Charles H. Percy (R-Ill.) introduced a resolution calling on both Houses to direct the President to seek agreements on uniform international standards for aircraft and airport protection "at the earliest practicable date."

A bi-partisan resolution calling upon President Nixon to convene a world conference to combat hijackings and airport violence, and restricting international flights to countries harboring or assisting hijackers was introduced by Sen. Abraham Ribicoff (D-Conn.) on June 14. Twenty-seven Senators have joined in co-sponsorship:

Brock, Cannon, Case, Church, Cranston, Dole, Gurney, Hansen, Hart, Hollings, Hughes, Humphrey, Javits, Kennedy, McClellan, McGovern, Moss, Pastore, Pell, Randolph, Scott, Stevens, Stevenson, Taft, Thurmond, Tower, Williams.

On June 8, a group of 36 Representatives led by Rep. Herman Badillo (D-N.Y.) introduced similar legislation in the House, as well as a resolution to terminate U.S. aid to any country harboring terrorist groups. The cosponsors include:

Abzug, Addabbo, Bingham, Blanton, Boland, Burton, Celler, Chisholm, Dow, Edwards (Calif.), Halpern, Hanley, Hathaway, Helstoski, Hicks (Mass.), Koch, Kyros.

Metcalfe, Mink, Mitchell, Murphy (N.Y.), Nix, Pepper, Pettis, Podell, Rangel, Reid, Riegle, Rodino, Rosenthal, Ryan, Scheuer, Seiberling, Symington, Whalen, C. Wilson, Winn, Wolff.

Rep. Robert L. Sikes (D-Fla.) took a different approach, introducing a resolution providing that payments made by airlines to hijackers "shall not be deductible."

On Friday, the Senate Commerce Committee, chaired by Sen. Warren G. Magnuson (D-Wash.) unanimously approved an amendment to the Federal Aviation Act, calling upon the President to suspend international flights to a foreign nation whose actions are inconsistent with the Hague Convention for the Suppression of Unlawful Seizure of Aircraft.

DEBATE ON AID

There was angry debate on the Senate floor last Friday when Sen. Hugh Scott (R.-Pa.), acting on behalf of the Administration, made an unsuccessful effort to restore $245 million of the $374 million which the Senate Foreign Relations Committee had cut from the Foreign Assistance Act.

Scott proposed to increase grant military assistance funds by $125 million and supporting economic assistance funds by $120 million, including an additional $20 million for Israel. He was strongly supported by Senators John J. Sparkman (D-Ala.), Bob Dole (K-Kan.) and Edward I. Gurney (R-Fla.).

But Senators Frank Church (D-Idaho) and Birch Bayh (D-Ind.) countered Scott's proposal with an amendment to restrict the entire increase to $35 million for Israel.

Scott protested the denial of additional aid to the other countries, which he listed as South Korea, Thailand, Cambodia and Jordan. He and his colleagues were especially concerned about Korea, for the United States, he said, is obligated to modernize Korea's equipment as U.S. forces withdraw.

Church and Bayh maintained that despite the committee cuts, the funds authorized were adequate, far exceeding the foreign military assistance voted in 1970. They were opposed to extending military assistance to reactionary regimes, which could not be equated with Israel, they said.

Each side in the debate charged that the other was bidding for support for its position by urging additional funds for Israel.

Scott moved to table the Church-Bayh amendment but lost, by a 38 to 35 vote. The amendment then carried, 54 to 21.

Thus, the Senate's foreign assistance bill now includes an $85 million grant earmarked for Israel. The bill now pending in the House Foreign Affairs Committee contemplates $50 million.

[Near East Report, July 19, 1972]

DEMOCRATIC ASSURANCES

MIAMI BEACH.—The Democratic Party's national convention and its presidential nominee, Senator George McGovern, have moved to allay fears that a Democratic administration would become isolationist, lower defenses and abandon international commitments.

The delegates strengthened the Middle East platform plank and McGovern, whose defense program has been criticized as inadequate, promised in his acceptance speech to keep America strong enough to shield "old allies" and Israel. He said:

"Now it is necessary in an age of nuclear power and hostile forces that we be militarily strong. America must never become a second-rate nation. As one who has tasted the bitter fruits of our weakness before Pearl Harbor in 1941, I give you my pledge that if I become the President of the United States, America will keep its defenses alert and fully sufficient to meet any danger.

"We will do that not only for ourselves but for those who deserve and need the shield of our strength—our old allies in Europe and elsewhere, including the people of Israel who will always have our help to hold their Promised Land."

Senator Abraham Ribicoff, who, as in 1968, nominated McGovern, also referred to "the survival of Israel" as a major McGovern concern.

Every national political convention since 1944 has included a pro-Israel plank. But this convention broke precedent. This was the first time that a presidential candidate reaffirmed it in his acceptance speech, and it was the first time that the plank was debated and revised on the floor.

The Middle East plank originally included a provision to:

"Maintain a political commitment and a military force in the area amply sufficient to deter the Soviet Union from using military force in the area."

The revised plank read:

"Maintain a political commitment and a military force in Europe and at sea in the Mediterranean ample to deter the Soviet Union from putting unbearable pressure on Israel."

That language, offered by supporters of Senator Henry M. Jackson, had been rejected by the platform committee in Washington on June 26, but it was offered anew as a minority report during the marathon platform debate on July 11–12. Earlier, McGovern had endorsed it.

The brief but sharp debate reflected a rift in McGovern forces.

The revised plank was opposed by those who decry any allusion to a possible Soviet-American confrontation. They urge that Israel be strengthened for they recognize that her cause is just, but they refuse to regard Israel as a component in the cold war. Moreover, they hope to reduce defense expenditures abroad to enhance domestic reforms at home.

On the other hand, Jack Tanner of Tacoma, Washington, a Jackson delegate, declared that NATO and the U.S. Navy in the Mediterranean must be maintained at "a realistic level."

"The very presence of the Russian military might in the Middle East together with their ability and tremendous armed forces create an intolerable pressure . . . [and a] constant aid daily terrible threat to the very existence of the Jewish people," Tanner said.

Robert Abrams, Borough President of the Bronx, endorsed the amendment as a spokesman for the McGovern delegates.

Fred Dietrich, of Utah, insisted that the Middle East plank sufficiently emphasized the justifiable need to support Israel and that the proposed amendment confused the issue "by urging the maintenance of overseas forces." This convention, he contended, was opposed to the continuation of a foreign policy based on military confrontation.

The plank was approved by a voice vote which sounded very close to most ears, but it was now 6:15 a.m. and exhausted delegates were in no mood for another hour-long roll call. Obviously, the combination of McGovern, Jackson and Humphrey delegates assured adoption and a large majority wanted to counteract the Republican campaign to win the "Jewish vote."

[Near East Report, July 19, 1972]

EAGLETON ON ISRAEL

Sen. Thomas F. Eagleton, the 42-year-old junior Senator from Missouri and the Democratic Party's vice-presidential nominee, is a staunch supporter of Israel. Since his first days in the Senate in 1969, he has called for a strong U.S. policy in the Middle East, advocating direct negotiations between Israel and the Arab states and the provision of military equipment to help Israel maintain her deterrent capacity.

A few days after assuming office in January 1969, the Senator declared in a letter to I. L. Kenen, editor of the Near East Report: "I believe unequivocally that the U.S. must reaffirm its moral and political commitment to the continued existence and independence of the State of Israel."

Eagleton's subsequent record has been consistent with that 1969 letter.

In January 1970 and October 1971 he cosponsored Congressional declarations calling on the Administration to further these objectives. In addition, he joined in a letter to Secretary of State Rogers and a subsequent letter to President Nixon, both of which urged a resumption of Phantom jet deliveries to Israel.

In September 1970, when an American plane was hijacked to Jordan, Eagleton cosigned a telegram to the President urging "that the United States not be a party to any agreement with terrorists that distinguishes between American citizens on the basis of race, religion or creed."

He has joined in Congressional action calling on the Soviet Union to permit Jewish emigration and he is a co-sponsor of the current bill which authorizes an $85 million grant to resettle Soviet Jewish refugees in Israel.

Eagleton has maintained that there is no contradiction between his support of the sale of jet planes to Israel and his opposition to U.S. involvement in Southeast Asia. On June 3, 1970, he told his Senate colleagues:

"I do not believe the war in Southeast Asia advances the national security of the United States; indeed it detracts from it in other parts of the world. I believe that the United States does have certain interests, and where they can reasonably be pursued, they should be. I believe the United States has an interest in the Middle East."

FOREIGN TRADE AND INVESTMENT ACT

Mr. HARTKE. Mr. President, the Hartke Foreign Trade and Investment Act of 1972 (S. 2592) is designed to save both American jobs and American industry. Much attention has been focused on the labor support for this bill. Now affected industries have begun to rally to the Hartke-Burke banner.

In March of this year, the American Footwear Industries Association voted to support the Hartke-Burke bill. The Footwear Association is comprised of 90 percent of all American footwear manufacturers who, in turn, provide more than 300,000 American jobs at present.

Mr. President, I ask unanimous consent that the American Footwear statement of support of the Hartke-Burke bill be printed in the RECORD.

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

AMERICAN FOOTWEAR INDUSTRIES ASSOCIATION,
New York, N.Y., March 2, 1972.

The Board of Directors of the American Footwear Industries Association at a meeting today in La Costa, California, overwhelmingly voted to pass a resolution supporting the Burke-Hartke Bill (H.R. 10914 and S. 2592). The American Footwear Industries Association is comprised of 90% of all American footwear manufacturers and their suppliers who together employ over 300,000 workers in 42 states.

This action was taken, according to Harold B. Gessner, the Chairman of the Association and President of Oomphies, Incorporated, because unrestricted imports from Spain, Italy, Japan, Taiwan and other countries have been permitted to take one-third of the domestic market away from home base industries causing disruption in the domestic economy by replacement of jobs in this country with sub-standard wages paid workers abroad.

Mr. Gessner concluded with a statement that short of effective voluntary agreements with the key exporting nations which do not seem to be forthcoming, the enactment of this legislation is essential to provide relief necessary to maintain a viable American shoe industry and provide employment for thousands of semi-skilled and skilled shoe workers in small communities across the nation.

MINNEAPOLIS INDIANS MOBILIZE TO SPONSOR NONPROFIT HOUSING

Mr. HUMPHREY. Mr. President, I invite the attention of the Senate to the activities of an urban Indian community that has established a unique housing cooperative. It is the first of its kind in the Nation developed entirely by Indians.

The lack of a Federal Government program to provide adequate housing for urban Indians has resulted in this Minneapolis Indian community's rising to the challenge of making our Government more responsive. It has done this to the tune of a $5 million, 212-unit, housing complex.

As a former mayor of Minneapolis and the first to appoint an Indian to the City Human Rights Commission, I take special interest and pride in the success of this Indian enterprise. It is another impressive illustration that citizens can move the often times cumbersome Federal assistance programs to combat injustices in minority communities.

A recent article written by Mrs. Jane Silverman for the Journal of Housing describes what has taken place in the Minneapolis Indian community and what lies ahead for the attainment of the final goals of the Indian housing project.

I ask unanimous consent that the article, entitled "Urban Indians of Minneapolis Mobilize To Sponsor Nonprofit Housing," be printed in the RECORD:

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

URBAN INDIANS OF MINNEAPOLIS MOBILIZE TO SPONSOR NONPROFIT HOUSING

In the fall of 1970, nine Indians came together to talk about housing. They met not in the pueblo or on the reservation, but in the center of an urban neighborhood in Minneapolis, Minnesota. Now as a result of that first meeting, steamfitters and carpenters are raising a 5 million dollar, 212-unit housing complex that the Minneapolis Indian community initiated, planned, sponsored, is helping to build, and eventually will manage. The South High Housing Development is the first project in the nation that has been conceived and developed entirely by urban Indians. Located in a Neighborhood Development Program (NDP) area, it is also the first Model Cities urban renewal project in Minneapolis.

In developing the housing, the Indians have made effective use of all the resources available to them and have brought together funds from an array of financing programs. The total cost of the project, $4,929,500 will be defrayed through a mortgage of $4,424,500 insured by the Federal Housing Administration. The housing will also use Section 236 interest reduction monies, as well as rent supplement funds. The Minneapolis Housing and Redevelopment Authority has made the land available as an urban renewal parcel, thus providing a substantial write-down on land costs. The authority has also agreed to supervise the placement of much of the underground utilities and to provide a cul-de-sac on the eastern edge of the project. They are also overseeing negotiations between the

Minneapolis traffic department and the state highway department to jointly fund a pedestrian bridge that will connect the two portions of the site.

The Indians have made especially creative use of Model Cities "bonus" funds, which are unearmarked dollars to be used for demonstration purposes and to provide "extras" that programs cannot afford through other means. The sponsors persuaded the Model Cities Policy and Planning Committee to authorize $505,000 in bonus funds to provide some of the amenities that will make this project a special place in which to live. The Indians are going to use the money to build a day-care center and to purchase higher quality construction materials for the interior and the exterior of the building.

The People Participate: Perhaps the greatest success story of the South High Housing Development is the Indians use of yet another resource—people. Local residents have been involved from the very beginning, when the idea of building a housing project was only that—an idea. Here are some of the things that community participation has helped to accomplish for the South High Housing Development: the project has received approvals and financing in less than a year, record time for a nonprofit group; the sponsors are negotiating with FHA on the details of an innovative self-management program; the group has persuaded the general contractor to implement an affirmative action program, so that unemployed Model Cities residents can be hired in the building of the project.

In short, the Indians in Minneapolis seem to have put together a formula to make community participation work . . . and to produce housing, too. This is partially because of the tradition of participation that goes back to the tribal council concept and also because of the fortuitous involvement of the South High Development in the Model Cities program.

When the original group of nine Indians met, their first step was to revive the dormant American Indian Housing Committee so that they could begin to alleviate the deplorable living conditions of Indians in Minneapolis. Hap Holstein, director of the Department of Indian Works of the Minnesota Council of Churches, and one of the nine, has said "We were tired of Indian organizations and white organizations taking bad housing as a means of raising money and not using it for that purpose." The group had reason to be concerned for the Indians, who make up around 1 percent of the Minneapolis population, are said to live in the worst housing in the city. Most of them reside on the near South Side, a neighborhood of dilapidated single-family homes, many over 100 years old.

The American Indian Housing Committee decided to sponsor a low- and moderate-income housing project. They learned from Dennis Wynne, who is with the Minneapolis housing authority, that the old South High School site was going to be available for urban renewal development and that the Model Cities Policy and Planning Committee would be reviewing proposal soon. The housing committee lost no time in interviewing architectural firms so they they, too, could submit a design. They choose the firm of Zejdlik, Harmala, Hysell, MacKenzie and Delapp, Inc., which had had extensive background in housing on North Dakota reservations.

The Indians now set about establishing a corporate organization to sponsor the development. "We were the brokest corporation," according to Mrs. Theresa Pindegayosh, the president of the group and one of the original nine, "but I was determined to get money for this housing because I knew money was there." The Indians organized the sponsorship around two principles. First, they tried to put together a circle of people that would be the community in miniature. Eventually, the 15-member housing corporation would include, nine Indians and three Model Cities residents and its composition would range from a black clerygman, to a white storeowner, to an Indian housewife. The other principle behind the sponsorship was to include representatives from the greater Minneapolis community. Early in their endeavors, the Indians were joined by three city organizations, all of which eventually held seats on the South High Nonprofit Housing Corporation when it was formally incorporated on April 7, 1971. The organizations were: the Urban Affairs Office of the Archdiocese of Minneapolis-St. Paul; the Minnesota Council of Churches; and the Greater Minneapolis Metropolitan Housing Corporation.

Role of Greater Minneapolis Metropolitan Housing Corporation: The participation of this third group, the Greater Minneapolis Metropolitan Housing Corporation, was to be especially important. The organization is a private, nonprofit group that was formed by local businesses to advocate and promote low-income housing in Minneapolis. The Indian project has been one of their first major efforts and their assistance has taken several forms. First, the corporation provided seed money so that the Indians could pay for preliminary plans and other start-up costs before they received permanent financing. Second, the corporation took onto its staff Harold LaRose, an American Indian with extensive experience in the anti-poverty program. Mr. La Rose's salary has been paid in full by the corporation but his sole job responsibility is to work on the Indian project and eventually he will manage the development. Third, the executive director of this organization, Charles Krusell has worked alongside the Indians at every stage and has provided them with valuable technical and organizational assistance.

The Indians were realistic. They saw from the beginning that no matter how enthusiastic they were about the housing idea, there were a lot of things they did not know. The active participation of Mr. Krusell, who later became vice-president of the sponsoring corporation, was helpful to them in many ways. He was an important link to the white establishment, to government agencies, and to many of the other professional people who would be involved with the project. He could also provide the technical advice on such things as mortgage financing and construction costs, which the Indians lacked. Perhaps most important, Mr. Krusell worked unrelentingly on the organizational details that made this nonprofit sponsor so effective. He would work out an agenda for each meeting so that the group could have a structured discussion on the most critical issues facing them at any one time, and he served as a troubleshooter for future problems.

The Nonprofit Process: Developing a nonprofit housing project is somewhat like climbing a mountain. Climbers rarely ascend straight up the mountainside; more often, they must take a circuitous trail around the slope to reach the top. Similarly, nonprofit sponsors must wind their way through bureaucratic routes to reach their goal. The Indians were the climbing team in this expedition and the professionals working with them were the guides who led them through and around the bureaucratic paths.

Similarly, mountain climbers have many crisis points when they are not sure they will make it all the way to the summit. The Indians' first cliff-hanger was in the vote of the Model Cities Policy and Planning Committee: who would be chosen as the developer for the school site? The South High group entered the competition late and they were one of many proposals submitted. The 15-member committee narrowed the field to three submissions; the Model Cities nonprofit housing proposal, the plans of a local black group, and the Indian design. The vote was stalemated between the Indian proposal and the plan of the Model Cities group. The stalemate was finally broken when supporters of the black group joined with the Indians. In January 1971, the American Indian Housing Committee was notified that the parcel had been assigned to them if they could come up with a feasible plan. Shortly thereafter, the Minneapolis Housing and Redevelopment Authority issued their letter authorizing the housing committee to hold exclusive rights to negotiate for the development of the land and its purchase. According to Mr. Krusell, this represents the first time in Minneapolis that a residents' committee selected the developer for one of the city's major development parcels.

In striving for the summit of a mountain, climbers reach many false peaks. Each is in itself a victory and is greeted with exhiliaration but the climbers know that there is still farther to go. The progress between these false peaks is often tense and precarious. The Indian group held their breath as they worked their way from one pinnacle to the next in the speedy expedition through their development program. There was excitement when William Mahlum, the attorney for the project, and the Shelter Corporation, the mortgagee, submitted the necessary feasibility forms to FHA and shortly thereafter FHA invited the group to submit an application for firm commitment. But this was only one of many false peaks. There were builder's cost estimates to be approved and final closing documents to be signed. Even with the groundbreaking on October 15, the Indians knew that their ascent was not finished, although the summit was indeed in sight: the project expects to open in the summer of 1973, with some units ready for occupancy as early as the fall of 1972.

The Participation Process: What has been especially notable about this particular housing expedition is that the team included not only the immediate sponsors but the whole community. From the beginning, when the Model Cities Policy and Planning Committee mandated the group to come up with a feasible plan, it was clear that "feasible" meant not only what would meet government cost and design specifications but also what would meet the approval of those who would be living in and around the project—the residents themselves.

With the cooperation of various Indian centers and service agencies, the sponsors held a series of local meetings so that residents could speak out on what should go into the building and what it should look like. Community groups, such as the Phillips Neighborhood Improvement Association, held public forums about the project. Community organizers, on loan from the Minneapolis Model City's Concentrated Employment Program, made door-to-door visits to talk to residents about the housing and to distribute preapplication forms as a market test for the units. Staff members of the Minnesota Housing and Redevelopment Authority who lived in the neighborhood gave many of their off-duty hours to promoting the project at other community meetings; arranging tours of existing housing developments for area residents; and acquainting the Indian housing committee with pertinent ordinances, zoning restrictions, and other technical information. Model Cities boards, such as the Policy and Planning Committee and the Physical Environmental Corp, both made up of local residents, spent long evenings working out details for the project and procedures to further involve the community.

The residents' active participation in the design of the project has resulted in architectural plans of high quality and, more important, a design that reflects the thinking of the people who will reside within. The development will consist of 212 family units, ranging from efficiency apartments to five-

bedroom townhouses. It will also include a 7500 squart foot commercial area that will be leased to small business enterprises.

The Project Plan: Prospective tenants wanted the propect to act as a community, similiar to the larger neighborhood in which it is located. The architects' site plan organizes the townhouses and apartments into seven groupings, or neighborhoods, each with a recreation space at its center to be used for children's playing and "neighboring" opportunities for adults. The small groups are drawn together by the community facilities—commercial space, day-care center, laundromat, meeting rooms—located at the center of the development. Even though the residents desired a sense of community, they also wanted privacy. As a result, the units are shielded from their neighbors by an entry court, which functions as a private yard, storage space, and small play area for children.

Parents were concerned about adequate facilities for their children. The play areas at the center of each neighborhood group and two parks, one on the eastern portion of the site and the other on the western boundary, will provide recreation space. In addition, the sponsors have used Model Cities bonus funds to build a day-care center for 80 pre-schoolers. The building will be constructed so that it can easily be converted into a community activities center at the end of each day. It will also include playground equipment and an outdoor swimming pool.

Bonus funds have been used to accomplish another objective of the residents: that their project have as high an amenity level as possible. The bonus monies are helping to pay for patios off of each dining room, garbage enclosures conveniently located near the dwelling units, and attractive furnishings and surfacing in the neighborhood courtyards. To keep the project as a whole well maintained, the funds will buy equipment such as snow blowers and lawn mowers.

The site is bisected by a busy thoroughfare and parents were worried about the safety of the children in crossing from one portion of the project to another. The architects have designed a pedestrian bridge across active Cedar Avenue to link both sections of the site conveniently and safely * * *.

Participation in Construction, Management: Citizen participation has not ended with the design of the project. Unlike many nonprofit groups, the South High sponsors have not limited their discussions to wall colors and icebox sizes. They have addressed themselves to larger issues and have asked questions like "how are we going to get minorities onto the construction of this job," and "how will we have the project managed the way we want and by our people."

To answer the first question, the sponsors negotiated with the unions and persuaded the general contractor to create training and job opportunities for unemployed residents of the Model Cities area. As a result, the entire work force for the project—estimated at 70 members—will be personnel drawn from the community. The program will include high school equivalency classes, on-the-job training, and apprenticeship experience, so that workers of all levels can be advanced through the project.

To answer the second question, the corporation has devised plans for a resident cooperative management system. FHA usually requires that management specialists run projects such as the South High Development but the residents wanted monies normally lost on profits to private management firms to be available for additional or expanded services that the tenants might desire. Now, if FHA approves the plan, all the families in the building will have a vote in the management operations. Tenants will own the management company and will elect a board of directors, who will, in turn, hire a manager, directly responsible to the tenants.

Future Fears: The community participation approach of the South High Indians faces a stiff challenge in the future: the chief fear among critics and skeptics is that the project will become an Indian ghetto. "We'll really have to sell our project," says Mrs. Pindegayosh. It's her view that the big task for the corporation now is to insure that the housing has a diversity of residents. She feels there is another issue, too, which runs counter to the Indian ghetto worries. Ironically, a project conceived and sponsored by urban Indians may be beyond the reach of most Indians in Minneapolis. Members of this minority group are largely unemployed and on welfare; their annual incomes are far below the minimum set by federal law for such projects. From the start, however, the South High sponsors have been promoting housing for all people, not just Indians. They feel that the biggest benefit to the Indian community may not be the units at all but that the project has made it possible for Indians to prove that they can accomplish something as well as the White Man.

Lessons for Others: In fact, other nonprofit sponsors can learn a great deal from the South High experience. They can learn that no matter how interested local groups are, they can benefit from the expertise of outside technical staff, such as that provided by the Greater Minneapolis Metropolitan Housing Corporation. They can learn, too, that nonprofit sponsors that broaden their concerns to include areas such as employment and management will probably have more long-lasting success than those that don't. The main lesson from the project, however, is the importance of resident involvement. It extends from the design of the units to the formation of the housing corporation; from the construction of the project to the management of the buildings. A successful resident participation approach can bring together a fragmented community into a pattern of action and success. That is where the lesson really lies, according to Theresa Pindegayosh. "So many groups are burdened with inaction," she points out, but the South High Group has moved from discussions about buildings to the construction of actual units—tangible proof that this sponsor can do more than just talk. The lesson to be learned from the South High Housing Development, Mrs. Pindegayosh concludes, is not only that you build housing . . . but how you do it.

WISCONSIN DEMOCRATS SUPPORT CIVIL LIBERTIES

Mr. PROXMIRE. Mr. President, on June 17 the Wisconsin Democratic Party's State convention overwhelmingly approved a resolution calling on Congress to put an end to the Subversive Activities Control Board and the House Committee on Internal Security. I was especially gratified by the strong support for my amendment to cut off funds for the SACB which was recently adopted by the Senate. I hope the views of these more than 1,500 delegates representing Democrats all across Wisconsin will encourage us to stand by our decision on the SACB in conference and in future floor action. The Wisconsin Democratic Party's statement on civil liberties is certainly worth the Senate's serious attention. I ask unanimous consent that it be printed in the RECORD.

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

"Whereas certain relics of McCarthyism like the so-called 'Attorney General's list of subversive organizations,' the Subversive Activities Control Board, and the Un-American Activities Committee (under its new name, the House Committee on Internal Security) threaten us today as they threatened us in the 1950s, putting the finger of suspicion on the dissenter and the activist, supplying the John Birch Society with its propaganda;

"Whereas the House Committee on Internal Security and the Subversive Activities Control Board are idle and expensive monuments to the spirit of Joe McCarthy, the one with no legitimate legislative function, the other put out of business by the Bill of Rights;

"Whereas 69 Members of Congress, including Messrs. Aspin, Kastenmeier, and Reuss in the Wisconsin delegation, have introduced resolutions whose effect would be to abolish the House Internal Security Committee entirely, transferring those of its functions which are legitimate to the Judiciary Committee;

"Whereas our own Senator Proxmire, along with Senator Ervin and others, has acted to cut off all appropriations for the Subversive Activities Control Board;

"Whereas the Chairman of the House Judiciary Committee has introduced legislation to repeal Title I of the so-called Internal Security Act of 1950 (the McCarran Act), which provides the legal basis for the Subversive Activities Control Board;

"Whereas President Nixon's attempt to put the Subversive Activities Control Board back in business, by assigning it the task of updating the so-called 'Attorney General's list of subversive organization," has no legislative foundation, and runs afoul of the United States Constitution to boot;

"Whereas this conjunction of reasons provides a reasonable expectation that important civil liberties objectives may be achieved in the next Congress; and

"Whereas the Democratic Party of Wisconsin is under a special obligation to support the good friends of civil liberties in the Wisconsin Congressional delegation: Messrs. Proxmire and Nelson in the Senate, and Aspin, Kastenmeier, Obey, and Reuss in the House of Representatives;

"Therefore be it resolved, that the Democratic Party of Wisconsin goes on record in support of three objectives: (a) the abolition of the House Committee on Internal Security; (b) the cutting off of all funds for the Subversive Activities Control Board; and (c) the repeal of Title I of the Internal Security Act of 1950; and urges the national party to incorporate these objectives in its platform likewise."

NEW COMMUNITIES AND URBAN GROWTH STRATEGIES

Mr. HUMPHREY. Mr. President, the subject of "new communities" is one which has fascinated many a planner, developer, and Government official in recent years. Some have viewed this approach as a panacea to our Nation's future urban growth and development. Others view it is an opportunity to experiment in developing new and alternative ways of designing, building and/or organizing urban service systems. Still others see it as mean of tapping private money markets to meet the ever-growing financial demands involved in meeting the community needs of people at acceptable quality levels.

Although Congress enacted a historic piece of legislation concerning "new towns" in 1970—title VII of the Housing and Urban Development Act of 1970—the administration has done little to im-

plement it. Only a handful of new community projects have been authorized and funded and they have been penny-pinched to death. Also the administration has failed for the most part to relate and place the "new community" program in any "national growth and development" context.

At the American Institute of Architects' Conference on New Communities held in Washington, D.C., last November, Dr. Lloyd Rodwin, head of the department of urban studies and planning of the Massachusetts Institute of Technology and one of his colleagues of that same department, Dr. Lawrence Suskind, collaborated in presenting a paper on "New Communities and Urban Growth Strategies" which I found to be highly informative.

In their paper, Messrs. Rodwin and Suskind make several important observations about our Nation's new community efforts and what criteria they believe should be applied with respect to such efforts. They also identify a number of points for which political support must be mustered if such efforts are to achieve any degree of success in the future.

I wish to urge my colleagues in Congress and officials of the Department of Housing and Urban Development to take the time to review this important paper. I believe the many points made in this paper can serve all of us well as an important guide to improving the "new community" efforts in this country. I hope it also will serve to further stimulate Federal as well as private efforts concerning this worthwhile national effort.

Within the next 30 to 40 years we are going to be required to accommodate about 100 million more Americans. While we in no way can expect to accommodate all or even a large number of these new citizens in such communities, new communities can serve, as Messers. Rodwin and Susskind state:

> As another string in the planner's bow, another way of organizing growth and developing resources in the suburbs, in the central cities as well as in poorer regions . . .

And I would add: "and in rural America."

Mr. President, I ask unanimous consent that Messrs. Rodwin and Susskind's paper be printed in thet RECORD. I again urge that it be given careful study by those of us in Congress as well as in the executive branch of our Federal Government.

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

NEW COMMUNITIES AND URBAN GROWTH STRATEGIES

(By Lloyd Rodwin and Lawrence Susskind)

Suppose that twenty-five years from now sixty federally assisted new communities have been built in the United States.[1] That would not be an unreasonable forecast. After all, it took the British just about twenty-five years from the inception of the New Towns Act of 1946 to build twenty-five new towns. With a population that is four times greater and a per capita national income that is more than twice that of Britain's, we ought to be able to build more. Of course, we won't do half as much; but why quibble about numbers, especially since it is the scale and quality of these towns that will be so important. Let us consider instead what the more articulate and perceptive critics may—and probably will—be saying about these communities, assuming they are built. This perspective might give us a lead as to what we can do now to forestall the criticisms which are otherwise likely to be levelled.

PROSPECTS FOR NEW COMMUNITIES

We venture to predict that more than half the new communities completed twenty-five years from now will be suburban-type new communities, closely dependent upon older urban centers. These communities, built in the style of Columbia, Maryland; Jonathan, Minnesota; and Lysander, New York, will all probably end up with populations of 100,000 to 200,000. Although most of these communities are presently being planned for somewhat smaller numbers of people, they are all in rapidly urbanizing areas and our expectation is that they will all exceed their population targets.

Less than a third will be self-contained cities with population levels between 50,000 to 100,000. Independent new communities in lagging areas are most often thought of as large, self-contained developments. This is dead wrong. Unless very special steps are taken, new communities designed as growth centers in lagging areas are likely to be smaller rather than larger. Lacking an existing economic base and being too distant from the central city to permit a substantial portion of the labor force to commute, such cities will face the difficult problem of attracting employers (because of the absence of a labor force and business and consumer facilities), and residents will be hard to attract unless jobs are available. Moreover, even with substantial federal support, such new communities will grow very slowly as they try to develop new markets.

Perhaps as many as ten new communities will be of the "new-town-in-town" variety. Cederal-Riverside (Minneapolis) and Welfare Island (New York City) are examples. Basically, such developments will seek to revitalize sagging inner city economies. They will also try to attract high-income residents back to the central city and to promote racial integration.

How will these communities fare? Some of them, financed largely by private investors, will be abandoned half-way through the development process because they fail to yield a handsome profit. They will go through the financial wringer and will simply fade into the usual pattern of speculative developments.

A few, as might be expected, will be straight-out economic failures. In some cases development costs will exceed the returns on the sale of housing units and the leasing of industrial and commercial properties. In other instances the pace of development will be too slow or the "turn-around" time on investment will drag out long beyond the point at which repayment of borrowed money is expected to begin.

What might be surprising, and sad . . . is that most of the new communities completed twenty-five years hence will not fail; they will succeed . . . in a moderate and dull way: they will yield a small profit; provide a modicum of low and middle income housing, manage to stick fairly closely to the original development plans (having overcome the objections of various pressure groups), and will present no particular threat to the natural environment. The way of life for residents of these new communities will not be too different from that of other suburban dwellers. More persons may live comfortably, walk to work, have easier access to assorted recreational facilities, and perhaps even feel a greater sense of "belonging" because of their participation in a "social experiment." What is far less certain, though, is whether these new communities will serve the poor and disadvantaged, achieve a much greater socio-economic mix, spur significant innovations or, even more importantly, serve broader ends: i.e., will these new communities have a significant impact on the larger population in areas outside the communities themselves?

The future of most new communities completed during the next twenty-five years will no doubt depend on their financial, political and social feasibility. In terms of financial feasibility, new communties will have been successful only if they have paid careful attention to a number of factors such as *location* (selecting a site easily accessible to growing markets); *front-end financing* (making sure that considerable financial support is available at the outset); *federal loans and grants* (working closely with federal, state and local governments to secure whatever supplementary funds are available); *reasonable tax agreements* (securing favorable assessments, easements, tax credits or other abatements if they can be arranged); and the *pace of development* (working to achieve as rapid a "turn-around" time and positive cash flow as possible).

The plans for most new cities completed twenty-five years from now will have run the gauntlet of various community groups and politicians. "Abutters" trapped between various parcels pieced together to form a new community will have expressed vociferous views about what the proposed development should like. So, too, will local, county, state, regional, and federal officials. Each will have exerted whatever influence he has over *zoning, tax rates, assessments, utility extensions, transportation plans,* and *industrial location* decisions. The first residents will also have demanded a significant *role in decision-making*. And, at some point, the developer will have been forced to turn over some of his decision-making authority to an elected body. With *authority* and *control* so fragmented, we can take for granted that the majority of new community projects will not have developed according to plan.

Successful communities, to be sure, will have benefitted from a managerial team able to gain *zoning and building code clearance*—by arguing for new approaches such as density zoning and planned unit development and able to deal with *political opposition*—by building a coalition of local, state and perhaps national supporters. The team will also have devised *an effective bargaining strategy*—by offering to be responsive to local needs and by offering something in return for local support. But there will few such teams; and, in retrospect, we will wonder why we ever thought that the homebuilders and large-scale developers of the 1970's (even those with successful track records and support from diversified business enterprise) were equipped to manage the complex process of new community development.

To meet financial strains during the early stages of development, even the best-intentioned developers will decide to build a high percentage of high revenue producing housing first. Once the initial wave of high-middle and middle-middle income families has been served, however, resistance to the construction of housing and facilities for low and middle income families will heighten. And so, most new communities twenty-five years hence will have ended up catering to a clientele not much different from the customary suburban development. Glorified suburbs, they will have had a negligible impact on the problems of providing decent low-priced housing and easier access to new jobs for low and middle income families. This is likely to be true despite some low cost, and even public, housing tucked away behind or alongside industrial parks or a few scattered subsidized units physically in-

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distinguishable from the moderate cost-unsubsidized units.

To better cope with the problem of providing a greater economic mix, a few communities will have sought help from public entities (such as the Urban Development Corporation [UDC] in New York) which will have built housing for all economic classes by using a quota system,[2] not because quotas are desirable, but because they may be the only means of eliminating "de facto apartheid" housing patterns.

One could continue this accounting, but what it all adds up to is that some twenty-five years from now, we are likely to find critics of the new communities program arguing that public investment in these projects merely diverted resources from inner city redevelopment efforts and that our largest central cities are worse off than ever. They will be pointing out that our new communities accommodated a tiny fraction of our population growth over the last quarter of the 20th century, perhaps only 5 percent, possibly even only 1 or 2 percent.[3] Other critics will be reminding us that back in the early 1970's, it was pointed out that new communities would never provide us with significant alternatives to conventional urban development. And the more radical commentators will be asserting that new communities are not (and couldn't be) a solution to urban problems since fundamental shifts in the distribution of resources and power are prerequisites to effective social change, and the new communities program certainly does not imply a significant redistribution of money or power.

GOALS OF FEDERAL INTERVENTION

This scenario is not altogether fetching. But perhaps it may provoke a hard-boiled reconsideration of what governmental intervention in the design and development of new communities can be expected to achieve. Suppose we were in the non-enviable position of those federal decision-makers responsible for the administration of the new communities program.[4] How would we run the program to ensure that we get the kind of cities we need and want? There are at least seven criteria that would govern our decisions:

1) *New communities ought not to be built when the expansion of existing communities will serve the same purposes.* But they will be built when they shouldn't be if our principal focus is on new communities and not on the urban growth objectives that we are trying to achieve.

2) *New communities ought not to lose money.* Yet they are likely to unless a reasonable proportion of the appreciation in land values or of earned income (realized through the sale or lease of commercial properties and the rise in land prices) can be captured by the developers. This also holds true for new communities built by public development corporations.

3) *New communities must provide a choice of jobs for all primary and secondary wage earners.* But they won't unless the number of new community developments is restricted and each is large enough to support a diversified set of economic activities, businesses and social services.

4) *New communities have to be socially acceptable in the second half of the twentieth century.* But they won't be unless they serve a reasonable proportion of disadvantaged minorities and middle income families directly and also create reasonable economic and social opportunities for other disadvantaged groups in the surrounding metropolitan area.

5) *New communities should help to reduce congestion and slow down growth in our biggest cities and to reorganize development patterns in metropolitan areas.* They won't contribute much to meeting these objectives, though, unless they are consciously conceived as a means of achieving them. Until a special effort is made to relate new community development to such things as national, state and regional planning for transportation, capital improvements programming, welfare policy and industrial development strategies, metropolitan growth patterns and current development trends are unlikely to be changed much.

6) *New communities should help to encourage the development of growth centers in lagging regions, especially in regions with a large unemployed and underemployed population.* Clearly they won't begin to do this difficult job if undue emphasis is placed on maximum returns to the developer or if new communities are planned without full recognition of the forces which impel migration and the location of economic activities.

7) *Aside from the six aforementioned criteria, it would be wonderful (and astonishing) if we could somehow produce two or three brilliant showpieces: breathtaking examples of more responsive and elegant ways of organizing our physical environment.* For example, new communities might reflect the "educative city" of the future: i.e.,

a) they could demonstrate a number of ways in which client groups of all incomes and educational backgrounds might participate in the design of services and facilities, such as schools, health programs, day care centers, and possibly even shape the decisions affecting the financing and day-to-day management of programs at the neighborhood level;

b) they might provide unique educational workshops outside the traditional "classroom" (nature and wild life observatories, opportunities to observe building and planning processes, etc.).

c) they might even offer a number of opportunities to experiment with unusual building, highway, street or area designs, as well as alternative models of entire communities.

The hitch, however, is that it's incredibly difficult to ensure a brilliant performance. An unusual blend of initiative, rare ability and hard work (as well as a good measure of luck) will be required to produce two or three outstanding new communities. Pennypinched programs and a fear of anything too different or too out-of-the-ordinary will tend to wipe out even these slim chances.

Which leads us once again to wonder about the likelihood of realizing these aims, any of them—the prosaic or the extraordinary. We find ourselves in a dilemma. From the conditions we have set, it looks as if we are guilty of advocating the best and making it the enemy of the good ("le mieux est l'ennemi du bien") and in the process vitiating the entire new communities program. It's just not so. We want a program that will work and that we can be proud of. The conditions we have posed can not be met overnight; we acknowledge that. Nevertheless, the prospects for the future are uninspiring unless we can muster considerable political support for the following key ideas:

(1) the desirability of focussing on the expansion of existing communities as well as the building of new ones. Planners, designers, and politicians can not be allowed to use new communities as a shield to fend off the problems of the central city. They must collaborate with local, regional and state officials.

(2) the need for a limited but strategic increase in the public ownership of land to harvest the full economic and social value created by new community projects. Public land ownership is hardly a cherished institution in this country, but we have got to learn how to use the tricks of the private developer to serve the public interest.

(3) the importance of limiting the number and augmenting the size of new communities. Given our egalitarian system and the normal pattern of political pressures, it will be quite a feat to develop a significant program in which costs are shared nationally but the visible benefits to particular regions are sharply limited;

(4) the obligation of new communities to serve the needs of the disadvantaged elements of our population—both as consumers and producers which means reversing or over-riding prevailing suburban attitudes.[5]

(5) the immediate as well as the long term significance of relating new communities to the needs of the existing metropolis. Most new community planners and developers think their problems are harrowing enough without having to take on the burdens of existing central cities; but unless new community development on the metropolitan fringes and in lagging regions is linked to the depopulation or redevelopment of inner city neighborhoods, these efforts will be trivial.

(6) the reminder that new (or existing) communities must serve as chosen instruments to help spark the growth of selected urban centers in Appalachia or in the depressed areas of the deep South. Most planners rarely see the need, let alone the desirability, of getting entangled in the problems of lagging regions, for it is much easier to build new communities in high growth areas where there is a guaranteed market.

(7) the need to spend generously and imaginatively, even in the face of a tradition and a culture that tend to deplore a consistent and long term public policy in pursuit of the objectives implied in 1–6 above.

Finally, we are loathe to conclude without voicing some additional hopes and forebodings which ought to be inscribed in the minds of new community enthusiasts.

New communities will become odious symbols if they are identified as devices for diluting the power of emerging inner city majorities. There must be provisions for neighborhood government and local control over key public services in each new community if we expect to convince large groups of people to move from the inner city to new communities.

On the other hand, many new communities can become attractive territory for investment in minority enterprise. They can provide capital investment opportunities as well as guaranteed markets for goods and services. The vehicles by which this can be achieved are federal contracts and purchasing agreements which can encourage minority-run businesses, and ought in fact to do so. The lure should be the new markets for inner city entrepreneurs, not to entice them out of the inner city, but to allow them to generate additional resources for reinvestment.

TURNING THE PROGRAM AROUND

When goals are set too high, they must be trimmed down. In our case trimming goals means recognizing that new communities will simply serve as another string in the planner's bow, another way of organizing growth and developing resources in the suburbs, in the central cities as well as in poorer regions; and that we will be very lucky indeed if the tools are used well or at least not misused. We know that in a new program the language of hope is more appealing than the language of regret; but we would remind those whom we disappoint that the disillusioned generally suffer from illusions to begin with.

HUD officials have expressed a keen desire to ensure the financial success of federally-supported new community development efforts, hoping that a few early successes will attract the long-term support and the involvement of the private money markets. At the same time, various administrative spokes-

Footnotes at end of article.

men have encouraged new community developers to undertake socially and technologically innovative experiments designed to test new ways of designing, building and/or organizing urban service systems. It may well be, though, that these two objectives are incompatible; and, in the long run, a policy that pursues both objectives may be self-defeating. The factors which determine financial success may inhibit or even prohibit innovation, and the new communities most likely to be financially successful may also be those least suited to producing socially significant results.

It has taken almost ten years for the new communities program in the United States to evolve.[6] Along the way, many of its strongest advocates have felt obliged to embellish the potential advantages of new communities and to exaggerate the contribution they might make to the resolution of various urban problems. There will be a substantial mismatch between the claims of the most avid new community proponents and the actual results of our first round of development efforts under Title VII.

For this reason particularly, we caution against exaggerating or deluding ourselves as to the prospects for innovation. Not that we do not welcome or appreciate the need or apparent opportunity for such innovations. But, contrary to the conventional wisdom, we do not think the circumstances under which new communities are built are altogether conducive to innovation. The pressure to make a killing or to avoid a disaster drives out most high risk activities and provides powerful reinforcements for hardboiled, conservative, not to mention backward and prejudiced judgements as to what will work. Despite this forbidding reality, we believe—or hope—that some public development corporations and even a few private ones will support limited risk-taking in a few areas. In one case, the focus may be on the design and delivery of novel health and educational services; in another it may be a disposition to experiment with new approaches to urban design and transportation; in still another it may involve innovative factory or site fabrication methods for building housing. In all of these cases the risks are real but the prospects for some success or for minimizing failure are real too, provided the experiments are few in number and that in each case a careful effort is made to monitor and evaluate the results.[7]

Another easy mistake we warn against is to assume that the government, because it is providing some backing for new communities, will guarantee the kind of benevolent and enlightened leadership that can sustain the program through periods of difficulty that might lie ahead. On the contrary, there is much disconcerting evidence to show that even in the short-run, changes in government policy and administration can cause perilous lurches and lags in patterns of development. Changes in leadership, values, and purposes can, as Charlie Abrams often reminded us, convert measures of reform into instruments of reaction. Without unremitting vigilance the new communities program is hardly likely to be the exception; and the danger is real that if new communities become the symbol for the government turning its back on the problems of existing cities, or diverting resources from lagging regions, then new communities will become as unpopular as public housing projects are today, and rightly so.

Finally, because the idea of new communities is becoming fashionable and national officials now intone many of the more euphonious phrases about what such communities are all about, we ought to point up the fact that the government still has no national urban growth policy.[8] We applaud—mildly to be sure—the current draft regulations accompanying the 1970 Urban Growth and New Community Development Act recently released by the Department of Housing and Urban Development—for the regulations outline a host of sensible criteria that will be taken into account in selecting projects for governmental assistance. We cannot quarrel with indices such as economic soundness; contribution to the social and economic welfare of the entire area affected; increasing the available choices for living and working; making provision for housing of different types and income ranges; serving a wide range of families; and taking account of the location and the functions of new communities in combating sprawl, reorganizing inner city development or helping lagging regions.

The size of the community, the adequacy of transportation connections and services, the quality of planning and the capabilities of the developer are additional considerations (among others) which are appropriately underscored, as indeed they should be, when administrative regulations have to be applied 'across the board'. But this facade of knowledgeable and comprehensive regulations is hardly adequate if the government has no sense of direction. Regulations in these circumstances are like the sky: they may cover everything and touch nothing; and meanwhile in an effort to get the program off the ground, the range and multiplicity of criteria can easily offer more rhetoric than results.

What is needed to change this situation is an unrelenting focus on the relationships between the reorganization of our inner cities and the organization of growth in our outer areas; between the slowing down of growth in our largest megalopolitan areas and the spurring of growth in a few key portions of our lagging regions. When we say that the program ought to be turned around, we mean that instead of building sixty new communities—mostly in suburban locations at somewhat lower densities, we ought to be building only about twenty or thirty new communities but much larger ones, with higher densities, designed to deal with interregional development problems. Instead of overemphasizing the financial feasibility of proposed new communities, we ought to be concentrating on the extent to which each new community will reinforce national urban growth objectives. Instead of funding mainly new communities under the control of private development groups, we ought to be favoring public development entities. Instead of supporting new communities that promise to test a great number of technological innovations, we ought to be encouraging efforts which will monitor only a few well designed experimental approaches to the delivery of services; and we ought to put a premium on experiments in citizen participation. Moreover, we ought to provide special assistance for those efforts which focus on the needs of the poor and the disadvantaged and which emphasize the processes and strategies by which the development of new communities can be more carefully controlled.

FOOTNOTES

[1] This does not include typical suburban tract developments, recreational or leisure communities, or large-scale urban renewal projects.

[2] *New Communities for New York*, a report prepared by the New York State Urban Development Corporation and the New York State Office of Planning Coordination, December, 1970.

[3] In the most recent hearings before the Senate Sub-Committee on Housing and Urban Affairs, U.S. population projections for the year 2000 included an estimated 75 million additional people. A somewhat lower projection has been offered by Anthony Downs who believes that the population increase in the next thirty years will be only 55 million. ("Alternative Forms of Future Urban Growth in the United States," *Journal of the American Institute of Planners*, January, 1970, pp. 3–11.)

[4] When we speak of the current program we are referring to Title VII of the Housing and Urban Development Act of 1970.

[5] A precedent for state override would be the "anti-snob zoning" bill passed several years ago in Massachusetts. Chapter 774 of the Act of 1969 (H5581) provides for the construction of low and moderate income housing in cities and towns in which local resistance hampers such construction. Should a local zoning board of appeals deny a permit to build subsidized low or moderate income housing and such housing does not exist in the community in a minimum quantity set by the General Court, then after a hearing into the facts and a review of the local decision, the State Housing Appeals Committee can issue a permit. For a complete summary of the regulations see Department of Community Affairs memo, *Summary of 774*, September, 1969.

[6] The program originated with Title X of the National Housing Act of 1965, which offered loan guarantees for land acquisition and development of large suburban-type developments. In 1966, Title X was amended to make the development of new communities eligible for these mortgages. As a further expansion of the original idea, the 1968 New Communities Act (Title IV) provided for Federal guarantee of bonds sold by private developers to finance new community development. Title VII of the Housing and Urban Development Act of 1970 is the most recent addition in this legislative history. Not only does it enlarge the new communities program to make public developers eligible for guarantees, but it also offers several new types of direct financial assistance in addition to the guarantees.

[7] A variety of experiments, possible innovations, and monitoring strategies are described in Lawrence Susskind and Gary Hack, "New Communities and National Urban Growth Policies" (forthcoming in *Technology Review*, February, 1972).

[8] Lloyd Rodwin, *Nations and Cities: A Comparison of Strategies for Urban Growth* (Boston: Houghton Miffin, 1970), especially Chapter VII.

GENOCIDE: AS OLD AS MANKIND

Mr. PROXMIRE. Mr. President, although the word genocide is relatively new, the phenomen itself is as old as mankind; the history of the world offers us countless examples of wars of annihilation and extermination. From the genocide committed by the Pharaohs against the Jews in Old Testament times to the annihilation of the Carthaginians in 146 B.C. to the Saint Bartholomew Day massacres in 1572, the heinous crime of genocide has been an omnipresent force in the history of our race.

The term genocide was coined by Prof. Raphael Lemkin in a special report to the Fifth International Conference for the Unification of Penal Law in 1933, Lemkin maintained that the crime actually consisted of two separate acts: barbarity, which involved attacks against the lives or economic existence of the members of a racial, religious, or social group; and vandalism, which involved the destruction of a group's cultural values. Lemkin further held that genocide had two phases: the destruction of the national pattern of the oppressed group, followed by the imposition of the national pattern of the oppressor. He believed that "denationalization," the word previously used to describe this phenomenon, was inadequate, as it failed to denote the physical destruction of the group which occurred.

Scholarly work by Lemkin and others, and the painful memory of the atrocities committed by the Nazis against the Jews in World War II prompted the United Nations to take action against this crime. In 1946 the body adopted a resolution against genocide, which reads as follows:

Genocide is a denial of the right of existence of entire human groups, as homicide is the denial of the right to live of individual human beings; such denial of the right of existence shocks the conscience of mankind, results in great losses to humanity in the form of cultural and other contributions represented by these human groups, and is contrary to moral law and to the spirit and aims of the United Nations . . . the punishment of the crime of genocide is a matter of international concern.

This resolution was followed, in 1948, by the International Convention on the Prevention and Punishment of the Crime of Genocide, which defined the act and sought to make it an international crime. In the past 23 years, 75 of the world's nations have ratified this treaty. Mr. President, I urge my colleagues to assert finally and publicly our opposition to this terrible crime, by moving for the rapid ratification of the Genocide Convention.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

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

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time allotted for the transaction of routine morning business having expired, morning business is closed.

TRIBUTE TO SENATORS WILLIAMS, JAVITS, AND OTHER SENATORS ON DISPOSITION OF MINIMUM WAGE BILL

Mr. MANSFIELD. Mr. President, the efficient manner in which the Senate disposed of the minimum wage proposal last evening was due in great part to the bill's expert management by the distinguished Senator from New Jersey (Mr. WILLIAMS), the chairman of the Senate Committee on Labor and Public Welfare. Guiding this highly important measure through to final passage was no modest feat; it was an arduous task and one for which the Senate, the American worker, and the public generally owe a deep debt of gratitude to Senator WILLIAMS.

His immense knowledge of the problems faced by the worker is matched by an abiding awareness of the worker's needs and ways and means to meet those needs. Such qualities contributed in no small way to the Senate's overall understanding of the various complicated aspects of this bill. Appreciated very much were the tireless efforts, the deep devotion, and the splendid skill and ability exhibited throughout the debate by the Senator from New Jersey. We are all profoundly grateful.

As always, the ranking minority member of the Senate Labor and Public Welfare Committee, the senior Senator from New York (Mr. JAVITS) played a very important role. With the greatest articulate skill, he enlightened all of us concerning the ramifications of the minimum wage measure. Once again, his superb advocacy and excellent documentation was unexcelled.

We are grateful.

The Senate is grateful as well for the cooperative efforts of the Senator from Colorado (Mr. DOMINICK) and the Senator from Ohio (Mr. TAFT). They are to be commended for the expression of sincerely held viewpoints with skillful advocacy and clarity. The distinguished Senator from Vermont (Mr. STAFFORD) is also to be singled out for his contribution. Senator STAFFORD demonstrated that he takes a back seat to no one when it comes to expertise and ability in presenting his own thoughtful views. Indeed, the Senate is indebted to all Senators who showed a particular interest in this measure by introducing their own amendments and urging their ideas. The Senator from Illinois (Mr. PERCY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Arizona (Mr. FANNIN) and other Senators fall into this category.

The Senate as a whole, I once again commend. I deeply appreciate the willingness to devote long, hard hours until final disposition. Such great cooperative efforts resulted in our completing action last night on a highly complex yet most significant legislative proposal.

NATIONAL HOUSING GOALS

The ACTING PRESIDENT pro tempore (Mr. BURDICK). Under the previous order, the Senate will proceed to the consideration of S. 1991, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 1991) to assist in meeting national housing goals by authorizing the Securities and Exchange Commission to permit companies subject to the Public Utility Holding Company Act of 1935 to provide housing for persons of low and moderate income.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments, on page 2, line 2, after the word "engaged", to insert "solely"; in the same line, after the word "of", to strike out "providing" and insert "constructing, owning and operating residential housing projects"; in line 13, after "1968" to insert "*Provided*, That no such acquisitions shall be approved except upon the following terms and conditions which the Secretary of the Department of Housing and Urban Development and the Commission or any successor agency are authorized and directed to impose prior to granting regulatory approval or financial or other assistance:

"(i) full original ownership of each housing project shall be retained for at least twenty years from the date of first tenant occupancy, provided that transfer prior to twenty years may be made if determined to be in the public interest by the Secretary of the Department of Housing and Urban Development and upon a showing to the Commission by such company of serious financial harm threatening the ability of the holding-company system to render satisfactory utility service;

"(ii) residential housing, construction, ownership and operation shall be financially separated so that they do not affect the holding-company system's utility operations;

"(iii) the heating and/or cooling system selected shall be that system which is most economical, considering all relevant factors;

"(iv) upon its organization each such company shall afford the opportunity to have on its board of directors at least one interim director selected by a local tenant association or group and following tenant occupancy, this director shall be replaced by a director selected, under the supervision of the Department of Housing and Urban Development, by the tenants of the housing project or projects owned and operated by such company;

"(v) each such company shall be subject to applicable State regulations promulgated by the appropriate State agency which regulates housing; and

"(vi) the holding-company system's investment in equity securities or other interests in such companies shall not exceed $2,000,000 per two-year period."; on page 3, line 24, after the word "such", to insert "additional"; in line 25, after the word "such", to insert "additional"; and, on page 4, line 4, after the word "consumers.", to insert "The authority granted under this paragraph shall terminate ten years from the date of its enactment, provided that the authority of the Commission, the Department of Housing and Urban Development and the terms of this paragraph shall remain in full force and effect with respect to all residential housing projects whose construction commenced prior to ten years after the enactment of this subsection."; 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 section 9(c) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79i(c)) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof a new paragraph as follows:

"(4)(A) securities of a subsidiary company engaged solely in the business of constructing, owning and operating residential housing projects for persons of low and moderate income within the service area of the holding-company system under housing programs authorized by the National Housing Act or any Act supplementary thereto, or (B) securities of or interests in a company organized to participate in such housing programs within the service area of

a holding-company system which receives financial or other assistance from a company created or organized pursuant to title IX of the Housing and Urban Development Act of 1968: *Provided*, That no such acquisitions shall be approved except upon the following terms and conditions which the Secretary of the Department of Housing and Urban Development and the Commission or any successor agency are authorized and directed to impose prior to granting regulatory approval or financial or other assistance:

(i) full original ownership of each housing project shall be retained for at least twenty years from the date of first tenant occupancy, provided that transfer prior to twenty years may be made if determined to be in the public interest by the Secretary of the Department of Housing and Urban Development and upon a showing to the Commission by such company of serious financial harm threatening the ability of the holding-company system to render satisfactory utility service;

(ii) residential housing, construction, ownership and operation shall be financially separated so that they do not affect the holding-company system's utility operations;

(iii) the heating and/or cooling system selected shall be that system which is most economical, considering all relevant factors;

(iv) upon its organization each such company shall afford the opportunity to have on its board of directors at least one interim director selected by a local tenant association or group and following tenant occupancy, this director shall be replaced by a director selected, under the supervision of the Department of Housing and Urban Development, by the tenants of the housing project or projects owned and operated by such company;

(v) each such company shall be subject to applicable State regulations promulgated by the appropriate State agency which regulates housing; and

(vi) the holding-company system's investment in equity securities or other interests in such companies shall not exceed $2,000,000 per two-year period.

No such acquisitions shall be made except within such additional limitations and upon such additional terms and conditions and with due regard to other provisions of this title, as the Commission may, by rules, and regulations or order, permit as not detrimental to the public interest or the interest of investors or consumers. The authority granted under this paragraph shall terminate ten years from the date of its enactment, provided that the authority of the Commission, the Department of Housing and Urban Development and the terms of this paragraph shall remain in full force and effect with respect to all residential housing projects whose construction commenced prior to ten years after the enactment of this subsection.

The ACTING PRESIDENT pro tempore. The time is under control. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a quorum call may be suggested at this time, without the time being charged to either side.

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

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRIFFIN. Mr. President, will the Chair kindly advise me how the time is allocated on the bill?

The ACTING PRESIDENT pro tempore. Under the previous order, the time is limited over-all to 1 hour, to be divided and controlled as follows: On the amendment of the Senator from Michigan (Mr. HART) and the Senator from Michigan (Mr. GRIFFIN) each of the Senators from Michigan will have 15 minutes; the Senator from Montana (Mr. METCALF) will have the remaining 30 minutes.

Mr. GRIFFIN. Then, if I present an amendment, there will be additional time for it.

The ACTING PRESIDENT pro tempore. Limited to one-half hour; yes.

Mr. GRIFFIN. I thank the Chair. I yield myself 5 minutes on the time allocated to the bill.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized for 5 minutes.

Mr. GRIFFIN. Mr. President, my senior colleague from Michigan (Mr. HART) is expected on the floor momentarily and, pending his arrival, I shall proceed with a brief statement on this legislation.

To a large extent, he and I agree concerning the merit of this legislation, although we do have some minor differences as to the degree of flexibility that might be appropriate in administering it.

But, Mr. President, the need for this legislation came to my attention after a utility company in Michigan sought to develop low-income housing in the inner city of Detroit, only to run into difficulty with the SEC concerning its authority to do so.

At first, legal experts were of the opinion that utility holding companies, such as the one in Michigan, had authority under the existing Public Utility Holding Company Act. Indeed, the SEC upheld that point of view. But later, on recommendation, the SEC reversed itself and decided that such authority is lacking.

Mr. President, I support this legislation because I believe it will help to stimulate more and better low-income housing projects in cities such as Detroit.

From time to time in Congress we pass housing measures to provide subsidized public housing, which costs billions of dollars and, yet, we still find very little progress and very inadequate progress being made to provide quality housing.

It is to the advantage of utilities to assist in preventing decay in the inner city because of the vast sums these companies have invested in energy distribution facilities. Providing better housing for the poor is perhaps the most significant contribution these companies can make to improving their communities.

Obviously, these utility companies have the financial resources to invest in low income housing if they so desire. Consequently, at the very least, Congress should not stand in their way so long as there are adequate safeguards to protect the public interest and the interest of utility ratepayers. The committee bill would provide these safeguards. Moreover, utilities have the management expertise to prevent housing projects from falling into disrepair.

As I understand it, and I am not an expert in this field, public utilities generally can build housing without SEC approval. But 20 percent of the gas and electric utility business in the Nation is conducted by holding company operations. This legislation would only make it possible—it would not automatically approve and certainly not require—for this 20 percent to engage in the development of low-income housing in metropolitan areas.

Mr. President, I believe that, generally speaking, this is not controversial legislation, although I realize that there is some objection to it.

The SEC in ruling against the authority of utility holding companies to build low-income housing all but expressed the desire that Congress should provide such authority by legislation.

If this legislation is passed, there will still be an abundance of control because any plan or program that would be undertaken by a utility company under this legislation would still have to be approved by the SEC as well as the Department of Housing and Urban Development.

I believe this legislation will help. It is not going to provide the ultimate solution, but it will help in the overall search for ways to provide better built and maintained housing in our urban areas.

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

Mr. GRIFFIN. I yield to the Senator from Tennessee.

Mr. BROCK. Mr. President, I have a great interest in the area of housing. I have supported virtually every program to encourage private industry to involve itself in providing housing in this country. Unfortunately, the Government has failed, and failed miserably, to do a good job. This is not due to malfeasance on the part of Washington executives. Federal housing programs have failed by virtue of the fact that there was too many programs, too rapidly done and done without sufficient management to make them work for the benefit of the people they were meant to help.

I am concerned about this measure for several basic reasons. First of all, these are holding companies. I assume that they will set up a corporate structure which would be involved in housing rather than doing the housing project as a utility.

Mr. GRIFFIN. The Senator is correct.

Mr. BROCK. If that is correct, can the Senator assure me that only those parts of the utility operations which directly relate to the supply of energy shall be used to determine their rate base?

The reason I ask that question is should we allow utilities to go into fields unrelated to energy delivery, then in effect we are taxing the recipients of their energy for the company's performance of services in those fields. And I am not sure that is exactly what we have in mind.

Mr. GRIFFIN. Mr. President, let me respond to the Senator by saying that I am advised by the staff that the Commerce Committee adopted an amendment specifically directed at that concern. In the bill there is a requirement that there be a complete separation in

accounting insofar as the utility and housing operations are concerned to make sure that the housing activities would not affect the rate base.

Mr. BROCK. Mr. President, there is no way by which the acquisition of huge amounts of property could be added to the rate base on which they would receive in effect a double profit—first, a profit from the operations of a housing facility, and second from the rate percentage applied as a normal rate rather than on their total capital structure.

Mr. GRIFFIN. It is my understanding that that concern has been answered and that the burden to provide a satisfactory answer would be on the utility companies if that matter were in issue. I might refer to the committee report, which states on page 7 that—

> Accounts and records for housing activities are required to be maintained on a separate basis from utility operations—so that housing activities are financed by shareholders and not taxpayers.

Mr. BROCK. Mr. President, I hope that that is the case. I would like to be sure of it, because I do not think it is fair to ask the recipients of the utility services to pay more simply because a particular utility company is involved in a housing project on the other side of town or on the other side of the State.

I have one other question which concerns a direct conflict of interest. That is the question of the concentration of power in the utilities. These utilities have a monopoly granted by the Government. I would hope that the Senator could assure me that there are adequate safeguards in the legislation to prevent a utility owned by a holding company from using their interest in some housing project to require the use of their form of energy. For example, an electric utility builds a housing project, I do not think they should be allowed to require all-electric homes. That would be a flagrant abuse of the monopoly franchise granted to the electric utilities of this country.

Mr. GRIFFIN. Mr. President, let me answer the distinguished Senator from Tennessee by pointing out that on page 3 of the bill an amendment was added by the committee which reads as follows:

> The heating and/or cooling system selected shall be that system which is most economical, considering all relevant factors.

I would like to make a further point for the record that the legislation was reviewed by the Justice Department from the standpoint of antitrust and monopoly questions.

The Justice Department, by letter to the chairman of the committee (Mr. MAGNUSON), dated September 3, 1971, found that the bill is satisfactory in that regard and, not only do they not object, but they recommend passage of the legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter to which I have referred, dated September 3, 1971, from Richard Kleindienst, who was then Deputy Attorney General, concerning this legislation.

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

OFFICE OF THE
DEPUTY ATTORNEY GENERAL,
Washington, D.C., September 3, 1971.

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

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 1991, a bill to assist in meeting national housing goals by authorizing the Securities and Exchange Commission to permit companies subject to the Public Utility Holding Company Act of 1935 to provide housing for persons of low and moderate income.

Under the terms of the Public Utility Holding Company Act of 1935, codified in 15 U.S.C. §§ 79 *et seq.*, registered public utility holding companies and their subsidiaries are prohibited from acquiring securities, assets or any interest in any business without the prior approval of the Securities and Exchange Commission. 15 U.S.C. § 791(a)(1). Recently, the SEC has refused to allow such companies to acquire interests in enterprises organized to construct and operate low and moderate income housing projects. *Michigan Consolidated Gas Co.*, SEC Holding Company Act Release No. 16763. The United States Court of Appeals for the District of Columbia Circuit has agreed with the SEC that the terms of the 1935 Act did not permit the Commission to approve such acquisitions. *Michigan Consolidated Gas Co.* v. *SEC*, No. 24,564 (D.C. Cir., April 16, 1971). S. 1991 would amend the 1935 Act to authorize the Commission by appropriate rules and regulations or by order to permit registered public utility holding companies or their subsidiaries to acquire:

(A) securities of a subsidiary company engaged in the business of providing housing for persons of low and moderate income within the service area of the holding-company system under housing programs authorized by the National Housing Act or any Act supplementary thereto, or (B) securities of or interests in a company organized to participate in such housing programs within the service area of a holding company system which receives financial or other assistance from a company created or organized pursuant to Title IX of the Housing and Urban Development Act of 1968.

The enactment of S. 1991 would clearly serve the national interest by increasing the amount of private capital potentially available to help satisfy the housing needs of people of low or moderate income. The anti-competitive effects likely to come from removing the existing barriers to utility companies' entry into the low and moderate income housing market are insignificant. The possibilities for damage to utility company shareholders from their company's entry into this market can be minimized by appropriate exercise of the regulatory powers granted to the Commission by the bill.

Accordingly, the Department of Justice recommends enactment of this legislation.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD G. KLEINDIENST,
Deputy Attorney General.

The PRESIDING OFFICER. All time of the Senator from Michigan on the bill has expired.

Mr. METCALF. Mr. President, I would like to have this colloquy continue and I yield 5 minutes to the Senator from Michigan from my time on the bill.

Mr. GRIFFIN. I thank the Senator.

Mr. BROCK. Mr. President, I notice that the Senator from Michigan and the Senator from Montana are in the Chamber. Perhaps we need to pursue this matter a little further. One of the distinguished members of the committee might tell me in regard to the abuses of the monopoly franchise, or potential abuse, if this language which the Senator from Michigan just pointed out is adequate then are we absolutely confident that other devices cannot be used to encourage it? For example, if a utility had a housing project in a given part of town, what would prevent them from offering more than competitive rate to that housing project to insure installation of their particular energy source, let us say electricity? What would prevent them from placing a bid at less than the going rate in connection with the project they are financing as a result of their being a public monopoly? Is that possible?

Mr. GRIFFIN. This bill would in no way preclude or interfere with the regulations of rates by State utility commissions. I cannot imagine, at least in my State, that such a preference or distinction would be approved or allowed, and it is certainly not intended.

Mr. BROCK. I do not make the point because I expect it to happen, but I think it is important for the legislative history.

Mr. GRIFFIN. I agree.

Mr. BROCK. It is important for the legislative history that we state the situation very clearly. This is something which would be inconsonant with the objectives of this legislation, which would be inconsonant with the franchise granted to the utility companies under the law, where they would have no competition.

Mr. GRIFFIN. I think the points made by the Senator from Tennessee are altogether appropriate and useful for purposes of legislative history.

I would like to make the further point that this bill does not provide authorization on an indefinite basis for utility companies to engage in this activity. There is a 10-year limit to this bill which I think the Senator would agree is a good thing, and after the 10-year period we would have to look at it to see if abuses have occurred and whether the authority should be continued. This review would be the very least that would be done and, of course, Congress could take action earlier to protect the public interest.

Mr. BROCK. If we were to find misfeasance 3 or 4 years hence, and that regulations adopted at HUD were not adequate, and that some companies engaged in practices that violated the spirit if not the letter of the law, is there any redress under the legislation as proposed?

Mr. GRIFFIN. Of course, Congress can change the law at any time, as the Senator is well aware. We would not have to wait 10 years, and the bill does amend the Public Utility Holding Company Act of 1935 which provides criminal penalties for violations of that act.

Mr. BROCK. But there is no other penalty?

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BROCK. I thank the Senator.

Mr. METCALF. Mr. President, I yield myself 10 minutes. I would like to con-

tinue the discussion and respond to the Senator from Tennessee.

As the Senator from Michigan has said, this is special legislation. This is legislation that applies to 17 holding companies in the United States, 17 complex, financially structured, multistate holding companies, administered for the South up in New York and in other areas in Chicago or New York. These are not local companies.

The regulation the Senator from Michigan talks about is a tremendous, complex mess, when there is talk about regulation from the SEC, and local regulations from Michigan and adjacent States, and regulations by HUD.

The point the Senator from Tennessee is making is especially important when we are concerned with these multistate hugely structured organizations. This runs afoul of the program suggested that the private sector at the local area of government should go in and participate in these federally subsidized housing projects.

Mr. BROCK. I appreciate the Senator's comment. That is my concern. My concern is that the regulations are not adequate in these cases and in too many situations we have had very serious problems trying to administer these matters. We have a very special obligation in this body when we create a monopoly, to make sure it does not jeopardize the public interest. No one here can speak with greater affection for the public interest than I, but if we are going to maintain it, we must be terribly jealous of the safeguards we apply when we create a condition without normal restraints of the free market. That applies in the case of utilities.

We must be sure that such activities, even if they are desirable, and I think this is, do not impinge on the public interest. I think there is a danger of this in this legislation. I cannot help but express my concern about it.

Mr. METCALF. I thank the Senator. He does point out the cogent fact that these are not only monopoly utilities but multi-State monopoly utilities; they are above and beyond the regulation of each individual State. A local State utility, such as the Montana Power Co. in the State of Montana, is not subject to the Holding Company Act, so we are providing in a very complex situation a special exemption in revising the Holding Company Act for 17 monopoly corporations in America. I am opposed to the enactment of S. 1991.

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

Mr. METCALF. I yield.

Mr. HUMPHREY. I have read the speech of the Senator from Montana in opposition to S. 1991, and I am very much moved by it, to be frank.

May I just ask one or two questions? What is the rationale of this legislation, what is the justification for a proposal like this that amends the basic law of the Public Utility Holding Act?

Mr. METCALF. I will say to the Senator from Minnesota, as far as I am concerned, it all starts from the same proposition that our housing situation for the poor and old is a national disgrace. The argument of many of my good friends in this body is, well, if we cannot get housing any other way, let us let the utilities go in and make 20 percent on its equity, as Niagara Mohawk said it did, and relax some of the regulations that we felt were necessary when we passed the Wheeler-Rayburn bill.

I do not think that the Wheeler-Rayburn Act is so engraved in stone that it is not subject to amendment, but the abuses with which we are confronted here have manifested themselves, and they have shown that utilities should be in the utility business and that alone. So they come in here and say, Well, we cannot build houses any other way, and this is a way we encourage them to build houses, by letting the utilities—which are supposed to be regulated monopolies—go in and make a 20- or 25-percent annual return just in order to get housing for the old and poor.

Mr. HUMPHREY. Simply because the utilities have the capital?

Mr. METCALF. Allegedly they have the capital. The problem, however, as stated in the report, is not a lack of capital on the part of the private sector. It is the failure of Congress to provide the necessary capital as our share for subsidizing low-income housing.

Mr. HUMPHREY. May I say that over a period of several years I have, with the cooperation of economists, banks, financiers, and others, proposed legislation called the National Investment Development Bank, which is a form of updating the Reconstruction Finance Corporation, to permit financing of public facilities and also to permit financing at less than going rates of interest for what are called socially desirable enterprises.

If we are going to give help to low- and moderate-income housing, where there is a need for capital or interest subsidies or a tax break on the construction of housing, I think the way to do it is by a separate entity, rather than doctoring up or tampering with a basic law which was put on the statute books because of the abuses for years and years of utilities of this country in the ratemaking structure, in stocks and bonds, and debentures, all of which had to be corrected back in the 1930's.

I am deeply concerned about the need for housing. I must say first this country has engaged in a kind of organized stupidity in not being able to provide a method of financing and providing incentives for the construction of housing. There is no reason why we cannot do it except that we are afraid of getting out of the conventional trough of the way we used to do it.

Second, when we have made ventures into housing we have had the regulations poorly enforced or we have had no regulations. We have seen abuses in housing that were nothing short of outrageous—where people have been literally robbed and where the Federal Treasury has been victimized under moderate- and low-income housing programs.

I think it is the duty of the Congress to get to this housing problem and to get to it on a crash basis and not to tamper with Public Utility Holding Act, because there is a desperate need for housing, particularly in the inner city. If we can give an inducement to industry to go into the inner city, that is what we should do. We should give an inducement for housing developments to get into the inner city. But it is going to take more than patching something here and there; it is going to take massive planning.

One thing this Government is unwilling to do, is plan. We always answer: Money. Every time we have a problem, we say, "Let us put money into it." That is the worst way to do it, unless we have a plan or program.

I am not about to vote for a bill that will put more money into the trough with no plan, no scheme, no proposal, but, instead, to just write another check. Supposedly this is the easiest way to meet the so-called problem. It is for Big Daddy, Uncle Sam, the U.S. Government, to write out a check. That is supposed to be the answer to the welfare problems and every other problem we have—just write out a check, instead of trying to figure out what the answers are.

Mr. METCALF. I could not agree with the Senator from Minnesota more.

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

Mr. METCALF. I yield myself 5 additional minutes.

We are trying, in this legislation, to erode a significant act that was passed in order to cure abuses of complex utilities that were defrauding the stockholders and overcharging the consumers, in order to secure housing. The Senator's plan for a bank or other subsidies or, as in the President's message, for the private local sector to come in, is overlooked. But this is not the private sector. This is a special kind of monopoly. This is a special private sector. There are 17 multi-State corporations, with a huge financial structure that embodies the whole Nation.

Mr. HUMPHREY. Why do not the utility companies do something about providing electrical energy which is needed right now, when we have brownouts and blackouts? All during the winter we saw advertisements asking us to buy air conditioners for the hot days of July. Come July, and they have ads on television, "Turn off your air conditioner because we are short of electricity." This Nation does not have a national grid system. It does not even have a regional grid system. There is no way of distributing electrical and gas energy, and we are short of gas supplies and electrical energy.

Mr. METCALF. And they are getting shorter.

Mr. HUMPHREY. And there is no plan for the future, Mr. President.

I think the Senator from Montana, once again, is serving a great and vital public interest here by raising questions about this legislation.

My tendency toward the legislation, until I read the Senator's speech, was to be for it, because I want housing, but it just seems to me that there are questions raised here.

Number one is the tax question. What is going to be done about that? Is this another tax loophole? The answer seems to be "yes."

Number two, What about regulation? The Senator from Montana has brought this out. According to what I read about the bill, there was no real evidence given that there could be regulation. When it is said that it can be regulated State by State or by the Securities and Exchange Commission or the Federal Power Commission—everybody regulating is nobody regulating.

I think the Senator from Montana's questions have to be answered before we can in good faith and in good conscience vote for this legislation. I think the intent of the legislation, the purpose, was sound, namely, to provide means and ways to involve the private sector in low and moderate income housing. I want to see it done as much as possible by the private sector. I have said repeatedly that just relying on public funds to do all the jobs never gets them done. Public funds should be a small part of the capital that is needed. We ought to get the private economy into it to get the job done, and our job here in the Congress ought to be to provide the incentives that will bring private capital into housing construction, under plans that will represent a real job of planning—not through fundamental changes in the Public Utilities Holding Company Act.

Mr. BROCK. Mr. President, I want to compliment the Senator from Minnesota for his statement about the tendency of Congress to put money into every plan and program. That is all too true and too tragic.

I would like to bring this point in terms of concentration of monopoly power by posing a hypothetical case to the Senator from Montana to see if it is possible under this bill. The rate base, the charges which are levied on utility customers, is predicated on a certain fixed portion of the investment of that utility. Let us say they have $100 million worth of investment, and the allowable rate base in that State is 8½ percent. That means they have to get $8.5 million net profit in order to meet the criteria under the law of that State.

So the rate base is terribly important. But what would prevent a utility from acting as a land base for its subsidiary corporation that was in the housing market, buying up 100 or 5,000 acres of land at a very high price, and holding it until such time as the housing development needed it? During the months and years that that $10 million worth of land is held in the utility to be available to the housing corporation, the consumers of that utility would be paying 10 percent more on their utility bills than would otherwise be the case. They could be paying that much more to provide a justifiable return on that investment. When the utility did not need it, or the housing company wanted it, they could sell it to the housing company, but meanwhile the utility company would have received a return on their investment. A rate of return maintained under monopoly conditions by law, and levied against the customers of the utility on an investment which provides them no benefit and over which they have no control.

Does the Senator agree that that would be possible?

Mr. METCALF. I would think it would be possible, and the consumers of the utility company would be paying the cost of carrying that, because the consumer pays rates which provide a return on investment of 8.5 percent, or whatever that regulated amount would be. But it would be very hard to find out what the rate actually would be, because these are quasi-State organizations, under the supervision of HUD, the SEC, and several State organizations, and it would be almost impossible to sort out this information.

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

Mr. METCALF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. METCALF. I would like to reserve the remainder of my time, and have the Senator from Michigan proceed.

Mr. HART. Mr. President, first, to get the horse before the cart here, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HART. I ask unanimous consent that a technical amendment which has been submitted, and which simply omits a comma and substitutes the word "act" for "subsection", be agreed to.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

The amendment will be stated.

The legislative clerk read as follows:

On page 2, line 13, strike out "That" and insert "that".

On page 3, line 4, strike out the comma after "housing".

On page 4, line 11, strike "subsection" and insert "Act".

The PRESIDING OFFICER. Does the Senator yield back his time on this amendment?

Mr. GRIFFIN. Mr. President, I shall not object, but would the Senator indulge me at this point for 2 minutes, to read into the RECORD a statement made by the U.S. Court of Appeals for the District of Columbia, which it seems to me is very relevant and not only ought to be in the RECORD, but ought to be known by the Senators who are considering this bill.

The PRESIDING OFFICER. The Senator from Michigan has 10 minutes in opposition to the amendment.

Mr. GRIFFIN. Then may I speak on that time? Would the Senator indulge me?

Mr. HART. I have offered the amendment. There is time on the amendment, and I am sure that is agreeable.

Mr. GRIFFIN. I thank the Senator very much. The Court of Appeals for the District of Columbia said:

Though in administering our judicial duties we have somewhat chastized petitioners—

Referring to the Michigan Consolidated Gas Co.—

it is with great reluctance that we do so, for their only sin seems to have been an over-eager response to their social conscience as corporate citizens of the City of Detroit. It has become common knowledge that many of our inner city woes can be traced directly to the numerous dilapidated and run-down apartments and houses that, though unfit for human habitation, are the homes of far too many people. The efforts of companies like Michigan Consolidated to react positively to the need should be encouraged. If these companies show by example it can be done, there might well be brought about an exponential increase in interest among private industries willing to lend a hand. We as a court, however, are unwilling and unable to write the National Housing Act into the Public Utility Holding Company Act of 1935. This can only be accomplished by Congress.

I suggest this is very unusual language, for a court of appeals to go this far in prodding Congress to do what we are trying to do today.

The court continued:

We have been informed that the United States Senate, on September 23, 1970, passed a housing bill which contained an amendment that would have permitted the type of acquisition Michigan Consolidated is seeking. The bill became law but the relevant amendment was rejected by conferees just before the last session of Congress terminated. Inasmuch as this amendment would seem to be an invaluable aid to the public and has the endorsement of the Secretary of HUD (116 Cong. Rec. S13850 [Daily ed. August 20, 1970] and the Commission—

Referring to the Securities and Exchange Commission—

It is hoped that our decision today will inspire further consideration of this matter by Congress as soon as its busy schedule allows.

Obviously, we do not have to pay any attention to the court of appeals, and it is none of their business to tell us how to legislate, but it seems to me that that is a very strong statement for a court to make, and particularly the D.C. Court of Appeals which, I might add, is not exactly an ultraconservative body.

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

Mr. GRIFFIN. If I have time, I yield to the Senator from Montana.

The PRESIDING OFFICER. Does the Senator yield on the amendment?

Mr. GRIFFIN. On the amendment.

Mr. METCALF. I just wish to make a comment on the court opinion that was read by the Senator from Michigan. That opinion was written by Mr. Justice Russell Smith, who is a district judge from the State of Montana, a former law-school professor of mine, and an opponent of mine at times in lawsuits.

Mr. GRIFFIN. I was not aware of that.

Mr. METCALF. I agree that it is a very unusual opinion. I would suggest that perhaps the presence of Mr. Justice Smith on the court of appeals as a visiting judge made it quite a conservative court.

Mr. GRIFFIN. But I am correct in my statement that it was the opinion of the U.S. Court of Appeals for the District of Columbia.

Mr. METCALF. Yes. I just wanted to remind the Senator that I know the author of the opinion, and regard him highly as a scholar.

Mr. GRIFFIN. I was not personally aware of who had written the opinion. I

just wanted to point out that it was the opinion of the court of appeals.

Mr. HART. Mr. President, I yield myself another minute on the amendment.

Whether in praise or criticism, I think the record should reflect that the writer of that opinion was a circuit court judge by the name of Tamm, of the U.S. Circuit Court of Appeals for the District of Columbia.

Mr. METCALF. Also from Montana.

Mr. HUMPHREY. All of our problems seem to come from Montana.

Mr. HART. Mr. President, I am prepared to yield back the remainder of my time on the amendment.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. HART. I yield.

Mr. PASTORE. Do I understand that this housing function will be kept separate and apart from the utility's basic function of furnishing electricity? In other words, let us assume that a public utility company is given this authority by the legislation being proposed here. Does that mean that if they spend, let us say, $10 million in order to build these projects, that that $10 million, as an asset, constitutes a base for the rents that they will charge, or does it become a part of the general assets of the public utility company, that is, the rate base, and therefore come under the public utility rules providing for a fair return on the investment? Do I make myself clear to the Senator?

Mr. HART. Yes, Mr. President, I would invite the attention of the able Senator from Rhode Island to a comment that begins at the foot of page 7 of the commitee report. This question concerned the committe, and we believe that with one of the committee amendments, subparagraph (ii), we made clear that the investments and the activities connected with the housing projects must be accounted for "below the line," as the public utility lawyers describe it.

In other words, the housing activities are not financed by the utility ratepayer at all. They are financed by utility shareholders. The housing projects which would be owned either through a limited dividend corporation or by participation in a national housing partnership venture would not constitute a part of the rate base of the utility; hence, it would not be reflected in the charge to the utility customer.

Mr. PASTORE. If the Senator would indulge me, I would like to make an observation on some of the things that have been said with reference to utility companies—and with the hope at this moment that I would not be called the devil's advocate.

As a Governor and as a U.S. Senator, I have been pretty much involved with the whole business of public utility regulation, the establishment of rates and return on the investment, and I think I have come to know of all the faults and I think I know of most of the virtues of public utility companies. The Senator from Minnesota, who is a very dear friend, made quite a castigation of the utility companies and the lack of energy at crucial times.

In 1961, at behest of President Kennedy, a very thorough and exhaustive investigation was made as to the projected need for more electricity and more energy by the year 2000. I am speaking now from memory. I believe it was said at that time that it will be a factor of 10 to 1; that we will need 10 times more electric energy by the turn of the century than we are demanding today. This would be not only because of the productivity and the expansion in the economy but also because of the increase of our population.

Yet, we are working today at cross purposes. It has been my experience—and I think I can document this—that we have approximately 13 atomic reactors that already have been constructed. that are ready to operate and provide substantial electric power. We happen to be living in an era of alert concern for ecology. With this I agree—but this concern has produced a tremendous amount of resistance on the part of people as to where these powerplants are going to be established. And this is true whether it is a nuclear plant or whether it is fossil fuel to be used in conventional generating plants. We have a shortage of electricity today for the simple reason that public utility companies that have the money and are ready and anxious to go just cannot get the licenses to build these plants. This is because of the public clamor and the resistance on the part of the people to powerplants especially in the proximity of their homes.

We find that the same people who resent and oppose the building of a plant are the first to complain when the lights go out. They are demanding the service at the same time they are denouncing the source.

I say very frankly that we have to begin to look at the whole problem very realistically. I do not want to carry the ball for the public utility companies this afternoon. But the fact remains that the fault has not been all theirs. We, in our Joint Committee on Atomic Energy, have seen to it that Congress has authorized more than $1.5 billion in a cooperative effort to build nuclear reactors. We find ourselves stymied by litigation. Judge after judge has held up construction on the ground that certain questions have been raised by certain ecology groups. We know what happens when the debate gets into court. The matter is stalled and stalled and stalled, and we never really get any firm decision. That is primarily the problem we have had. It has happened not only in my State but also in many other places.

Not long ago, a public-spirited group from Michigan came to see me, I think, at the behest and invitation of the Senator from Michigan (Mr. GRIFFIN). They said that they were going to lose a prospective industrial plant unless they could get permits to build a nuclear plant. They had been told that, unless they could provide energy, the plant would have to locate some place else.

Am I correct?

Mr. GRIFFIN. The Senator is correct.

Mr. PASTORE. That is exactly what you are up against.

I think that America will have to begin to become a little more pragmatic about the problem of electric power. We will have to weigh the elements of ecology and the economy—the comforts and conveniences we demand against the accommodations we must make in tolerating the construction essential to our needs.

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

Mr. PASTORE. I yield.

Mr. HUMPHREY. I do not disagree completely with what the Senator has said. As a matter of fact, we had this problem in our State, and we reconciled it. The State's power company—I consider it a responsible utility—worked out with the community the location of a nuclear reactor.

Mr. PASTORE. But it was an agonizing experience and took a long time.

Mr. HUMPHREY. I have been of the opinion—and I think it is verified—that there was a failure of planning not only on the part of the electrical utilities but also on the part of the telephone utilities. The telephone company today, in many areas of this country—and I do not speak with any acrimony or in any words of demagoguery, because it performs a vital service—failed to plan in terms of the needs of the country; and today we have telephone service, particularly on the Eastern Seaboard, that is inadequate.

The PRESIDING OFFICER. The time of the senior Senator from Michigan has expired.

Mr. HART. Do I have time remaining on the amendment?

Mr. PASTORE. Is there any time at all?

The PRESIDING OFFICER. The junior Senator from Michigan has 6 minutes.

Mr. GRIFFIN. I yield time to the Senator from Rhode Island.

Mr. PASTORE. The reason why I look kindly upon the proposed legislation, knowing all the loopholes involved, is that customarily you have to build a generating plant either in the wide open spaces or in the slums. Let us face it. You do not find a plant up there at Foxhall Road. I am not too familiar with that very lovely neighborhood, but they tell me that they have million-dollar houses there. You do not see any generating plant there. You see them where the poorer people live. If we give the utility company a chance to build homes for people some place else, this may be a good thing, because perhaps we will begin to move the poor away from the smoke and the stacks and the smell and the threat to the environment. In the long run, we may be doing a good thing for the poor. That is why I look kindly upon the proposed legislation.

This does not exonerate the utility companies from any sins of the past. This does not exonerate them from any abuses in which they have indulged in the past. I am not here defending the utilities. But I am saying that if we can do anything to help the poor by allowing anybody to build homes for them, I am all for it.

Mr. HART. I am glad I yielded the additional time.

Mr. HUMPHREY. Mr. President, will the Senator yield to me for the purpose

of interrogation and information—on the bill?

The PRESIDING OFFICER. Time from the bill cannot be taken on the amendment. The junior Senator from Michigan has 3 minutes remaining on this amendment.

Mr. GRIFFIN. I am glad to yield to the Senator.

Mr. HUMPHREY. Mr. President, I do not stand here in blind opposition to the proposed legislation. I am seeking information. As a matter of fact, my sympathy is for the purpose of the measure.

I have listened to the Senator from Tennessee, I have read the statement of the Senator from Montana (Mr. METCALF), and there are questions which I think have to be answered. The Senator from Rhode Island asked one in reference to the rate structure.

I say to the Senator from Michigan (Mr. HART), that Senator BROCK asked the same question in terms of a statement, that the rate structure might very well be affected by this new type of investment in housing by a public utility holding company.

Am I correct that we are talking about holding companies, not utilities?

Mr. HART. Mr. President, the bill, as the Senator from Montana explained, for the first time authorizes holding companies to engage in activities which the SEC at one time held were authorized by the utility holding company bill and later decided were not so authorized. We are talking about activities by holding companies.

Mr. HUMPHREY. Not by the local utility but by the holding company?

Mr. METCALF. Mr. President, will the Senator yield for a comment?

We are told, are we not, that there are 17 multi-State complicated holding company corporations in America?

Mr. HUMPHREY. Not the private utilities.

Mr. METCALF. Not the private utilities that the Senator from Rhode Island (Mr. PASTORE) was talking about—controlled by the Public Service Commission that served when he was Governor.

Mr. HUMPHREY. I wanted to get that point and I thank the Senator.

Second, on the rate structure, I have great respect, as the Senator from Michigan (Mr. HART) knows, for his personal integrity and for his knowledge of this legislation.

On the rate structure that the utility rate payer—the customers—has to pay, am I correct in assuming that the rate structure for electricity or for gas of a public utility in Michigan or Minnesota, let us say, would not be affected by any of the investments made by this public utility holding company in housing?

Mr. HART. I believe that it would not. I base that on subparagraph (ii) of the committee amendments which are intended to insure that the housing activities authorized by this bill would be maintained on a separate basis. We believe that the amendment precludes ratepayers from subsidizing housing activities.

Mr. HUMPHREY. If the Senator will indulge me for another moment, the Senator from Montana (Mr. METCALF) noted in his statement that utilities can make between 20 and 25 percent on their equity annually through depreciation of housing subsidiaries. In other words, a kind of tax windfall, a kind of profit windfall. What is the comment of the Senator from Michigan (Mr. HART) on that?

Mr. HART. I want to disassociate myself, on that one from the comment of the Senator from Minnesota that qualified me as an expert. I am anything but an expert in this area.

The PRESIDING OFFICER (Mr. ALLEN). All time on this amendment has now expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for 10 additional minutes, to be equally divided on the same basis.

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

Mr. HART. Mr. President, I am advised that even though limited dividend housing corporations are restricted to a 6-percent dividend, a parent company can take advantage of a housing subsidiary's tax losses to reduce profits and end up with a return on investment as high as 20 percent.

May I add that this advantage is available to all housing sponsors. This was the incentive that Congress decided was needed to obtain the needed commitment from private enterprise for low-income housing. This return is available to all sponsors, whether utilities, or others. Utility participation does not cost the taxpayer any more than if another private sponsor participated. I state that on information and belief.

Mr. HUMPHREY. Would it not be desirable for the public utility holding company to put more and more of this equity capital into housing and less and less into the electrical and gas utility fields?

Mr. HART. The Senator speaks a concern that we on the committee felt. We believe that by limiting the investment permitted in any 2-year period to $2 million, we have built a wall that will prevent the exploitation of that tax advantage from going wild and, at the same time, we will have moved in a fashion which will encourage a utility company to go into the housing business.

Fairness requires me to say that we are not lacking in sponsors for low- and middle-income housing projects. It would be wrong to advertise this bill as a means of increasing housing consrtuction. The justification for the exemption is that this bill permits those utility companies which have expertise in management, to bring their talents into the low- and middle-income housing field.

All of the hearings that I am aware of, highlighting the disaster in which urban renewal and HUD are involved in, make clear the necessity for a management presence—not just the initial investment but a management presence which is skilled and responsible. The utilities, since they have to live in the neighborhood, if for no other reason, but hopefully because they want to do a decent job, will provide management supervision that will provide not more housing but better managed housing.

It is for that reason we require that the ownership be retained for a 20-year period.

Mr. HUMPHREY. Yes. I thank the Senator very much for his help and information.

Mr. METCALF. Mr. President, if the Senator has any time left, would he yield to me?

Mr. HART. I yield, if I do have the time.

Mr. METCALF. I am in complete accord with most of the statements made by the Senator from Michigan (Mr. HART), and I applaud the amendments put in the bill to provide the protection he has pointed out.

I emphasize, however, that these are multi-State corporations. They are not controlled in the local area. They are not even controlled in the States involved. These holding companies are controlled from financial centers in Chicago or San Francisco or New York. The argument the Senator is making for local people to participate in the development of housing in the ghetto areas or in the low income areas is the very argument that argues against permitting huge, financially structured corporations to participate in management, in managing from Michigan to Chicago, or in managing from Rhode Island to New York.

The PRESIDING OFFICER (Mr. ALLEN). All time has expired.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. All time on the amendment by the Senator from Michigan (Mr. HART) has expired. The Senator from Michigan (Mr. GRIFFIN) has 5 minutes remaining.

Mr. GRIFFIN. Mr. President——

Mr. HART. Mr. President, may I inquire what time remains to the two Senators from Michigan?

The PRESIDING OFFICER. No time remains on the amendment to the Senator from Michigan (Mr. HART). Five minutes remain to the Senator from Michigan (Mr. GRIFFIN).

On the bill itself, time is not transferrable to the amendments.

The Senator from Michigan (Mr. HART) has 15 minutes and the Senator from Montana (Mr. METCALF) has 8 minutes.

Who yields time?

Mr. HART. Mr. President, I have no time remaining on the amendment.

Mr. GRIFFIN. Mr. President, unless someone seeks recognition, I would yield back my time on the amendment so that the amendment may be agreed to.

The PRESIDING OFFICER. All time has been consumed or yielded back on the amendment.

The question is on agreeing to the amendment of the Senator from Michigan (Mr. HART).

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HART. Mr. President, I yield myself 7 minutes.

The PRESIDING OFFICER. The Senator from Michigan (Mr. HART) is recognized for 7 minutes.

Mr. HART. Mr. President, this discussion has already, I think, highlighted

the advantages that I believe are represented by the bill and the problems which it brings with it.

Permit me now to make a statement which was intended to be my opening statement and which I think is responsive to some of the concerns—at least it makes clear the purpose that is sought to be achieved by the committee in recommending enactment of the bill.

S. 1991 is designed to alleviate national housing problems by empowering the Securities and Exchange Commission to authorize public utility holding companies to construct, own and operate federally assisted low- and moderate-income housing.

They can do it in two ways. They can do it either through investment in a housing subsidiary of the holding-company system or through investment in individual housing projects in which the National Housing Partnership, organized under title IX of the Housing and Urban Development Act of 1968 participates. The Public Utility Holding Company Act of 1935 requires holding-company acquisitions to bear a functional relationship to utility operations. S. 1991 introduced at the request of the Department of Housing and Urban Development with the concurrence of the Securities and Exchange Commission would permit registered holding companies to provide housing for persons of low- and moderate-income housing within their service area. The bill contains numerous safeguards designed to regulate the extent and nature of this investment to assure protection of housing tenants, utility consumers, and investors.

Mr. President, the Nation is facing a housing problem of enormous proportion.

We all know about the housing shortage. The central residential cores of many cities are dying. Billions have been spent by the Government and private enterprise to reverse this alarming trend. In the last 2 years we have seen substantial improvement in the number of low- and moderate-income housing starts. Despite this effort it appears that national housing stock is continuing to decline faster in quality than it increases in quantity. Many housing projects are already in financial default and the number is rapidly growing. It has become clear that the challenge in meeting national housing goals is not in initial construction, but in the ability to manage and operate housing developments. The critical key in the achievement of national housing goals is to secure sponsors that can operate housing projects on an economic and socially successful basis over a long term. It appears to us that registered holding company utilities are capable of being such sponsors. Unless we enact this bill, they would nonetheless be precluded.

The committee had 3 days of rather full hearings. Testimony at the extensive Commerce Committee hearings indicated that utilities have a stake in the continuing economic health of their service areas, that they have managerial and financial resources needed for low- and moderate-income housing construction and that they are accustomed to substantial regulation similar to that present in housing programs. Consequently it appears that there is a substantial and real contribution that utilities can make toward solving the Nation's housing problems.

Mr. President, I am not, I think, labeled as an ardent advocate and supporter in the Senate of the causes of the utilities in this country. But I think that this bill provides the framework for harnessing the resources of holding-company systems to satisfy the national need for low- and moderate-income housing in the public interest.

I recognize that this bill, if enacted, would be the first amendment to the Public Utility Holding Company Act of 1935. The central policy of that act was to prevent utilities from utlizing their monopoly power to diversify into other areas. This bill should not be construed as evidencing a desire or intention to depart from this basic policy of the Holding Company Act. But the Nation's compelling housing needs, the utilities' potential capability to make a contribution, and the safeguards contained in the bill and committee amendments justify this modification to the Public Utility Holding Company Act.

The bill as amended contains many safeguards. Utility housing activities are limited to participating in federally assisted low- and moderate-income housing programs within the service area of the holding company system, and not new towns or industrial plants or real estate speculation. The Securities and Exchange Commission would retain discretion over whether to approve each low- and moderate-income housing activity. I have in mind the thought that if a utility's capacity to provide utility service might be jeopardized, the housing application would be denied. The holding-company system must retain ownership for at least 20 years thereby preventing it from becoming simply another land speculator; the utility and housing operations must be financially separated so that one does not subsidize the other; at least one member of the housing subsidiary's board of directors is to be selected by tenants; further State regulation is not preempted and the housing investment is limited to $2 million per 2-year period.

The PRESIDING OFFICER. The time of the Senator his expired.

Mr. HART. Mr. President, I yield myself an additional 3 minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized for an additional 3 minutes.

Mr. HART. Mr. President, in addition the authority granted by this bill shall terminate 10 years from the date of its enactment. The committee believes that it is desirable to have a trial period for utility participation in housing activities. Near the end of the 10-year period Congress will be able to examine housing activities, evaluate their impact and assist the success of the program. If holding company participation has had a substantial and beneficial impact on meeting national housing needs without counterbalancing adverse effects, then Congress may be ready and willing to renew this provision. If, on the other hand, the opposite is the case, then the authority for further holding company participation in new housing projects will cease.

Mr. President, I believe that with the safeguards the bill is a good bill. It would take the utility companies up on their argument that it is managerial skill that is important. That is really the principal justification for granting the exemption.

I am pleased to report that the bill, as amended, was reported by the Commerce Committee without a dissenting vote. Although he is necessarily absent today, the distinguished Senator from Washington (Mr. MAGNUSON) supports the bill as reported.

I believe that with the safeguards contained in the bill, Congress can responsibly and prudently grant this kind of an exemption, an exemption to a prohibition, which prohibition the passage of time has proved to be very helpful.

I would like to see what will happen. I think it is well worth the risk for a 10-year period to permit the management skill of these utility companies to be applied in meeting the low- and moderate-income housing needs in this country. Thus far the track record of most Federal housing for low-income families is wretched. It is wretched in part because Congress underfunded HUD. It is wretched in part because the suedeshoe boys saw opportunities that we did not anticipate, and they took advantage of them.

Also some very sincere investors simply lacked the management skill. In any event, given the track record, I would suggest that we add as available sponsors the skills and the commitments of these utility holding companies.

I would hope that at the end of the 10-year period our decision will have proven to be a wise one. If it is not, they are on notice that we will not continue this exemption.

Mr. President, I reserve the remainder of my time.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a letter dated August 12, 1971, by Gov. William Milliken, of Michigan, be printed in the RECORD.

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

DEAR SENATOR MOSS: I am delivering this letter to the Committee to emphasize my strong support for Senate Bill 1991, which would allow utility companies to engage in the business of development and managing low- and moderate-income housing.

There is a tremendous housing need in Michigan, which I estimate to be over 500,000 units, for families in the low- and moderate-income range. In response to this need, my administration has undertaken the planning of $1 billion of housing production in Michigan during the 1970's. We have already issued $150 million of Michigan State Housing Development Authority revenue notes and bonds to finance the construction and mortgages of the first phase of our program.

Last year I introduced, and the Legislature enacted, a statute which would encourage private companies to become sponsors and managers of low- and moderate-income housing financed by the Authority. To make these programs successful in redeveloping residential opportunities in our cities and expand new residential facilities across the

state which all of our citizens can afford, it is imperative that the strongest sponsors be encouraged to participate.

I therefore strongly urge that Senate Bill 1991 be adopted by Congress so that these companies can sponsor low- and moderate-income housing under Federal and State production programs.

Sincerely,

WILLIAM G. MILLIKEN,
Governor.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that a statement before the Senate Commerce Committee by William Rosenberg, executive director of the Michigan State Housing Development Authority, be printed in the RECORD.

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

STATEMENT OF WILLIAM G. ROSENBERG

My name is William G. Rosenberg. I am representing Governor William G. Milliken of Michigan, and am the Executive Director of the Michigan State Housing Development Authority.

It is clear that a housing crisis exists in this country. In response to housing needs in the State of Michigan, the Michigan State Housing Development Authority was established as a state agency by the Legislature, at a time when Department of Housing and Urban Development Secretary George Romney was Governor, to finance housing production for low and moderate income families. Governor Milliken has directed the authority to finance 50,000 units of new construction at an investment of over $1 billion in this decade.

Last year, legislation was enacted to provide the Authority with revenue bonding capacity of $300 million for immediate construction of 15,000 homes and apartments. In addition, limited dividend entities were qualified as sponsors of Authority-financed housing as a means of encouraging the private sector-companies like Michigan Consolidated Gas to concentrate in rehabilitating housing in the inner city of Detroit. This program will not only add new housing, but will also create needed jobs for community residents. Since the 1970 state legislation, the Authority has undertaken the planning and construction of $150 million of housing for 8,500 families, which will either be occupied or under construction by the end of 1971. By the end of 1971 the Authority expects to be financing production of homes at an annual level approaching 10,000 units.

As the state, in many cases in conjunction with federal programs, becomes more involved in the housing area, we are beginning to see more clearly the tremendous difficulties and expense of dealing with this complex issue. Inflation has affected the residential construction industry more than most, causing labor, material and land costs to skyrocket; production techniques are archaic; local governments are often restrictive; interest rates on mortgages over the past three or four years have increased 20 to 30%; property taxes have increased almost 10% per year; utility costs for heating and appliances are also rising. Not only are the financial and production problems real, but the organization of housing production involves intricate local political arrangements, as well as attention to the human problems associated with making and keeping housing developments operational once the enormous investment of public and private capital is committed.

From our vantage point, it is very clear that even an enormous investment of public funds for housing will not necessarily assure that the housing needs of our citizens will be met. This is not to say, of course, that the problem can even be approached without major financial commitments, but is to emphasize the need to encourage greater involvement and responsibility on the part of those public and private organizations which have the resources and expertise to tackle one of our nation's most difficult and complex problems.

The public's commitment is reflected in a variety of state, local and federal efforts, and is very expensive. Subsidies are provided through a number of vehicles, including:

(i) direct payments to low and moderate income families to offset high interest costs under the Section 236 and 235 and rent supplement programs;

(ii) welfare payments for housing;

(iii) low-income public housing programs;

(iv) income tax exemption incentives on municipal bonds issued to finance low and moderate income housing programs;

(v) federal income tax depreciation write-offs which offset other taxable income;

(vi) urban renewal and community planning grants; and

(vii) sewer and water system grants and financing.

In addition, enormous sums are invested in new school and transportation systems to accommodate residential growth.

Notwithstanding all of this funding, our nation's record in meeting the housing crisis is not attractive. We may question, of course, whether the public commitment has been broad and imaginative enough. But even within existing programs, enormous problems remain to be solved—one of the most critical of which is the economically and socially successful operation of housing developments constructed with government assistance. On May 18, 1971 Norman J. Watson, Assistant Secretary for Housing Management at HUD, detailed the enormous operating problems that HUD was facing under its low and moderate income Section 236 program, first enacted in 1968. Mr. Watson reported that there were already 117 separate projects in financial default, containing 13,300 homes costing $160 million, and that the number was rapidly increasing. Mr. Watson stated that a major reason for the failure of these programs was poor property and financial management after construction was completed. I share HUD's concern about the future of these programs. In assessing the essential skills in shortest supply, I am forced to rank the ability to manage and operate these low and moderate income housing developments as the greatest deficiency.

As these developments are privately owned, the crisis in management and operation points up the need for more experienced and stable private sector involvement in publicly-assisted housing. As the public official responsible for directing Michigan's investment of $150 million a year to provide low and moderate income housing opportunities, I believe it is extremely important that government encourage—and perhaps even demand—that major private institutions familiar with matters affecting the public interest and real estate development bear their fair share of the responsibility to house our citizens. We must attract and retain the most stable organizations to this task and not rely on real estate speculators or tax gimmicks to do the job. It is because I believe that government's substantial investments in housing programs require strong organizations to sponsor and manage housing developments that I strongly support legislation to permit public utilities to sponsor low and moderate income housing projects financed under state and federal programs. I would request that the committee include in the enabling language, state and local programs, as well as federal programs, to reflect the growing commitment of state and local governments in addressing the housing crisis.

The record of Michigan Consolidated Gas Co. in Detroit has been admirable. During the time they were free, under earlier SEC rulings, to sponsor low and moderate income housing, Michigan Consolidated accounted for a substantial percentage of the production of such housing in the City of Detroit. The company has been among the most effective developers and has shown important skills in establishing relationships with inner city communities, complying with local, state and federal rules, maintaining fiscal soundness, and managing the developments. Its particular strength has been the ability to properly maintain the developments it sponsors.

In our judgment, utility companies are among the best sponsors of housing. Their concern is not only the general concern of a conscientious citizen, but reflects a financial desire to protect major permanent investments already made in the cities. They have the special skills to develop and manage housing because of strong experience in real estate and construction, and because of their expertise in dealing with government as a regulated business. Of equal importance, they have special real property management expertise due to the very substantial maintenance efforts that are already part of their business structure.

In closing, I wish to again recommend on behalf of Governor William G. Milliken, and on behalf of the Michigan State Housing Development Authority, that Senate Bill 1991 be enacted to permit companies like Michigan Consolidated Gas Co. to freely engage in the development, construction and management of housing for low and moderate income families under state and federal program.

WILLIAM G. ROSENBERG,
Executive Director, Michigan State Housing Development Authority.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. GRIFFIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

On page 2, beginning on line 20, strike all down through line 3 on page 3 and insert in lieu thereof the following:

"(i) full original ownership of each housing project shall be retained for at least twenty years from the date of first tenant occupancy, provided that transfer prior to twenty years may be made (a) to a local nonprofit or cooperative organization if the Secretary of the Department of Housing and Urban Development certifies and gives the reasons therefor that such an organization is likely to operate the housing project equally well or in an improved manner, on a financially sound basis, and with provisions to assure satisfactory maintenance on a long-term basis, or (b) upon a showing to the Securities and Exchange Commission by such company of serious financial harm threatening the ability of the holding-company system to render satisfactory utility service and with the approval of the Secretary of the Department of Housing and Urban Development;"

The PRESIDING OFFICER. The chair inquiries of the Senator from Michigan if this is the amendment on which the yeas and nays have been ordered and on which the 30 minutes has been allotted.

Mr. GRIFFIN. It is, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. GRIFFIN. Mr. President, as the distinguished senior Senator from Michigan has pointed out in a very excellent

statement, this legislation comes about as a result of the rulings made by the Securities and Exchange Commission and the U.S. Court of Appeals for the District of Columbia. At one point the SEC found that holding companies that seek to develop low income housing actually had authority to do so but later, on reconsideration, they reversed themselves on a question of statutory interpretation. If the SEC had not reversed itself, a company today would be able to transfer such a project before retaining it for 20 years to a nonprofit organization upon approval by HUD.

Now, in seeking to put adequate safeguards in this legislation, the committee under the leadership of the senior Senator from Michigan, has written in a number of safeguards which are addressed to several concerns raised on the floor today and during the hearings.

One of the so-called safeguards, written into this bill is that a utility company which exercises this authority would have to retain the project for 20 years and could not transfer its interest prior to the end of this time period unless utility operations were endangered.

My concern is that this restriction may go too far and inhibit companies which have the capital and expertise from going ahead and building low income housing. If this happens, then we are going through a futile exercise in passing this bill.

Because of certain tax considerations which have been alluded to, there is a built-in incentive for a utility company to retain control of housing projects for at least 10 years.

Incidentally, in connection with tax considerations and the earlier colloquy between the distinguished Senator from Minnesota and the distinguished senior Senator from Michigan, I would like to read into the RECORD a recommendation from the 1968 report of the National Commission on Urban Problems, which was appointed by President Johnson. That Commission's recommendation includes this statement:

> Prompt revision of the Federal income tax laws to provide increased incentives for investment in low- and moderate-income housing, relative to other real estate investment, where such housing is governmentally subsidized and involves a legal limit upon the allowable return on investor's equity capital. Specifically we propose that the Internal Revenue Code be amended to provide especially favorable treatment (whether through preferential depreciation allowances or through investment credits) for investments made under a governmentally aided limited-profit programs for the construction and rehabilitation of low- and moderate-income housing.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. GRIFFIN. Mr. President, I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. GRIFFIN. Mr. President, Congress followed that recommendation and better tax incentives for the construction of low-income housing have been provided, but unfortunately these programs have not always worked. There have been scandals and Detroit is an unfortunate example of an area where these programs have not worked.

As the distinguished senior Senator from Michigan indicated, one of the things that is needed is more expert management in many of these projects. Fortunately, the utility companies have an interest and they have the management which would help in making it possible to develop low- and moderate-income housing in the inner city.

But in order to see this management capability actually utilized, I believe we need to provide a little more flexibility in one provision of the committee bill. Under my amendment a utility which developed a housing project would be required to retain full original ownership for at least 20 years, provided that transfer prior to 20 years could be made only under the following limited circumstances:

> "(a) to a local nonprofit or cooperative organization if the Secretary of the Department of Housing and Urban Development certifies and gives the reasons therefore that such an organization is likely to operate the housing project equally well or in an improved manner, on a financially sound basis, and with provisions to assure satisfactory maintenance on a long-term basis, or (b) upon a showing to the Securities and Exchange Commission by such company of serious financial harm threatening the ability of the holding-company system to render satisfactory utility service and with the approval of the Secretary of the Department of Housing and Urban Development;"

Mr. President, I submit that a Senator who reads the language of this amendment will see that it is carefully worded and carefully limits the circumstances under which it would be possible for the tenants of a housing project, for example, to form an organization and to purchase or acquire ownership of their own housing project.

Under the present bill, as amended by the committee, they could not do that because the utility company would be required to retain ownership for 20 years. I believe that this proposed amendment would provide more incentive for utility companies to build housing without sacrificing the objective of providing well-maintained housing on a long-term basis.

Mr. President, I think the amendment is worthy of adoption by the Senate. I reserve the remainder of my time.

Mr. HART. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. HART. Mr. President, in connection with this amendment, which I oppose, I rather agree with my colleague from Michigan that it would provide greater incentives for utilities to get in this business, but for the wrong reasons. The quicker they can turn it over the larger is the return to them. As they presented their case to us initially, in seeking this exemption, the strongest justification they cited was, "We can manage this property better than other housing sponsors—permit us to construct and to manage these low-income housing units and you will have much more satisfactory housing for poor people in this country."

Now, they cannot have it both ways. They cannot say the justification for the exemption is that "we will be skilled housing managers" and then say, "but if we can convince HUD that a tenant's cooperative will do as good or a better job, we will get out." But by putting these utilities on notice that they must retain ownership for 20 years, without any ands, ifs, or buts—unless the project is such a financial liability that the SEC is persuaded that it jeopardizes their ability to provide adequate utility service—a point on which the bill as reported agrees with this amendment—I believe, that initial construction will be of high quality and the utility will have a real incentive for proper management.

Again, the basic justification for this exception to the Public Utility Holding Company Act is the utilites' claim that they can do a better job on managing these projects.

This amendment would provide a means for the utilities to escape this continuing responsibility. It would not be difficult to find a nonprofit organization to take over a project. But most nonprofit organizations lack the resources or experience to properly manage a housing project. Nonprofit organizations have not had a good record of successful housing operation.

In the language of the amendment, the Secretary of HUD would have to make a finding that a tenant group or a nonprofit group could do as good or a better job than the utility.

In light of the large number of defaults in housing projects, I am not persuaded HUD has the capacity to make that judgment. At least, judging their record thus far, they have a difficult time making an accurate forecast of management ability. HUD certification is no assurance of successful housing operation of such a project in the future.

Consequently, Mr. President, though I am willing to concede that it will lessen the incentive of utilities to take advantage of the exemption we are providing, it will protect against some of the abuses that we are on notice occurred on these projects, and it will take them up on their representation that, above all else, it is their management presence which will insure better housing for the low- and middle-income families in this country. They have the skills. All right, if they want the exemption, let them operate housing at least for the time that the bill provides—20 years.

I hope the Senate will reject the amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRIFFIN. Mr. President, I am prepared to yield back my time and vote.

Mr. METCALF. Mr. President, will the senior Senator from Michigan yield me 2 or 3 minutes?

Mr. HART. I yield such time to the Senator as he may want.

Mr. METCALF. Mr. President, I want to applaud the committee for holding thorough hearings, for listening to witnesses on both sides, and for adopting a series of amendments that the senior Senator from Michigan so ably and cogently described in his opening statement. Every one of those amendments is needed in order to protect certain areas

that I had raised in my testimony in my opposition to this bill and that of other witnesses who appeared before the committee raised in opposition.

So I think the committee did an excellent job. I applaud the committee for the adoption of these amendments, and the adoption of this amendment which the junior Senator from Michigan seeks to strike.

I am not in complete accord with the senior Senator from Michigan that this is the way to find better managerial ability. I will have more to say about that later. But when we are passing this special interest legislation on behalf of 17 large, multi-State corporations, we must be very careful to be sure that in eroding an act that has been on the books as long as the Wheeler-Rayburn Act has been, we do have the protection that the committee decided was so necessary to surround this exemption.

Therefore, I urge the Senate to reject further erosion of the act and to support the committee in its series of amendments.

The PRESIDING OFFICER. Is all time yielded back?

Mr. GRIFFIN. Mr. President, I yield back my time.

Mr. HART. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment is yielded back. The yeas and nays have been ordered. The question is on agreeing to the amendment offered by the junior Senator from Michigan (Mr. GRIFFIN). The clerk will please call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. McGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

I further announced that the Senator from North Carolina (Mr. JORDAN) is absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) and the Senator from Louisiana (Mr. ELLENDER) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Kentucky (Mr. COOPER), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), and the Senator from Ohio (Mr. SAXBE) are detained on official business.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The result was announced—yeas 27, nays 44, as follows:

[No. 294 Leg.]

YEAS—27

Aiken	Dole	Pearson
Allen	Dominick	Roth
Allott	Fannin	Stafford
Beall	Griffin	Stevens
Bellmon	Gurney	Talmadge
Bennett	Hansen	Thurmond
Boggs	Jordan, Idaho	Tower
Buckley	Mathias	Weicker
Curtis	Packwood	Young

NAYS—44

Bayh	Fong	Mondale
Bentsen	Hart	Moss
Bible	Hartke	Nelson
Brooke	Hollings	Pastore
Burdick	Hughes	Proxmire
Byrd, Harry F., Jr.	Humphrey	Randolph
Byrd, Robert C.	Inouye	Ribicoff
Case	Jackson	Schweiker
Chiles	Kennedy	Smith
Church	Long	Spong
Cranston	Mansfield	Stennis
Eagleton	McClellan	Stevenson
Eastland	McGee	Symington
Ervin	McIntyre	Tunney
	Metcalf	Williams

NOT VOTING—29

Anderson	Goldwater	Montoya
Baker	Gravel	Mundt
Brock	Harris	Muskie
Cannon	Hatfield	Pell
Cook	Hruska	Percy
Cooper	Javits	Saxbe
Cotton	Jordan, N.C.	Scott
Ellender	Magnuson	Sparkman
Fulbright	McGovern	Taft
Gambrell	Miller	

So Mr. GRIFFIN's amendment was rejected.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TUNNEY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 3, line 18, insert the folowing:

"(v) each such company shall assure that adequate housing opportunities are made available for the elderly in projects owned or operated by such company;".

Renumber succeeding clauses accordingly.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the name of the Senator from Idaho (Mr. CHURCH) be added as a cosponsor of the amendment.

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

Mr. TUNNEY. Mr. President, I am pleased that the Committee on Commerce has reported favorably S. 1991, in order to assist in meeting national housing goals by authorizing the Securities and Exchange Commission to permit companies subject to the Public Utility Holding Company Act of 1935 to provide housing for persons of low and moderate income.

The basic purpose of the bill is to allow public utility companies to participate in programs such as the National Corporation for Housing Partnerships and to form "limited dividend" corporations authorized by the National Housing Act in order to assist local communities to provide adequate housing.

The bill was made necessary by a series of rulings by the Securities and Exchange Commission and the courts which currently prevent such participation.

In March of 1969, the SEC, by a divided vote, held that the participation by a holding company subsidiary in low- and moderate-income housing programs administered by the Department of Housing and Urban Development satisfied the statutory standards of the Holding Company Act.

However, in a later ruling on the same question the SEC again by a closely divided vote reversed its position. This decision was upheld by the District of Columbia circuit of the U.S. Court of Appeals on April 16, 1971. But in upholding the ruling the court praised the efforts of utility companies in reacting positively to the need for reconstruction of inner cities and suggested that Congress take appropriate action.

The Commerce Committee and the Department of Housing and Urban Development have met the suggestion of the court in drafting and developing S. 1991. I commend them for a job well done.

I believe that one additional change remains imperative. I believe that no legislation of this nature can ignore our senior citizens. I believe that every effort must be made to assure that, in programs such as this, adequate assurances are provided for the needs of the elderly.

It has long been evident that our Nation's senior citizens desperately need better housing. The inadequate and unacceptable housing conditions which plague the elderly of this land sharply discourage the elderly in their fight for respectability.

Dilapidated and frequently dangerous dwellings house almost 30 percent of America's senior citizens. In Los Angeles alone, over 20,000 elderly are living in outdated and unsafe housing. The problem is clear. There is not enough adequate housing available for America's citizens, and as a result, the elderly, because of their retirement incomes, are pushed into the only structures they can afford: Frequently, these are inner-city tenements and broken-down hovels.

Too few people realize that slum conditions too often characterize the housing for the elderly. The old are often just another group of the poor. Their houses are inadequate. Something must be done to help them.

Housing that can be afforded by the elderly must be made available. We cannot allow our older citizens to exist in dangerous dwellings that frequently house misery and loneliness. I am convinced that this Nation can provide safe and adequate housing for all its citizens if it would commit itself to that goal.

Accordingly, I believe that it is important to assure that adequate attention is focused in this bill on the housing needs of the elderly.

Therefore, Mr. President, I am offering this amendment to S. 1991. That amendment would add a provision to the bill which would assure that, in housing developed pursuant to the provision of this legislation, adequate opportunities are provided for the elderly. It would commit each company operating under the provisions of this bill to consider the housing needs of our senior citizens and to help respond to them.

Accordingly, Mr. President, I believe that this addition to S. 1991 will fill an important need. It will help the Nation to respond to the unmet and unsatisfied housing needs of some of her most valued and cherished persons, her older citizens.

I hope and expect that my colleagues will support this amendment.

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

Mr. TUNNEY. I yield.

Mr. CHURCH. I simply want to say that I agree wholeheartedly with the argument of the distinguished Senator from California, and I hope the Senate will see fit to adopt this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HART. Mr. President, the amendment proposed by the Senator from California and the Senator from Idaho makes excellent sense, in my opinion. I feel that it does reflect the unanimous sentiment of this body. After we have a reaction from my colleague from Michigan, I would suggest that it be accepted.

Mr. GRIFFIN. Mr. President, I certainly concur that this amendment would be an improvement on the legislation. I suspect and I would hope that senior citizens would be given consideration even in the absence of such a proposal, but I think that the amendment of the distinguished Senator from California (Mr. TUNNEY) certainly would carry out the intent of the legislation, and I believe that it should be accepted.

I wish to say, Mr. President, while I have the floor—and it will not be necessary to say later—that even though the amendment I offered would have provided greater flexibility and more incentive for the construction of low income housing in the inner city than will be the case now that the amendment has been rejected, I still will be for the bill. Moreover, I hope that after we adopt the amendment of the distinguished Senator from California relating to senior citizens, we will pass this measure. I am strongly for it and my amendment was only intended to be an improvement to provide greater incentive for housing participation by public utilities. It is unfortunate that it was not adopted, but this is still basically good legislation which should be enacted by Congress this year.

Mr. TUNNEY. Mr. President, I thank the Senators from Michigan for accepting the amendment, and I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from California (Mr. TUNNEY).

The amendment was agreed to.

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

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

The PRESIDING OFFICER. Is all time yielded back on the bill?

Mr. METCALF. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. METCALF. Mr. President, I rise in opposition to S. 1991.

The background of this proposed amendment of the Public Utility Holding Company Act is this: A similar amendment was added onto the 1970 housing bill, without hearings and so quietly that at least four members of the Senate Banking and Currency Committee told me they were unaware of it. It was passed the day after it was reported, by a Senate unaware of its implications. Thanks to efforts of Chairman PATMAN of the House Banking and Currency Committee and other Members of the House, where no hearings had been held, it died in conference.

My floor amendment to delete the amendment in 1970 lost by a division vote. Last year the identical bill was reintroduced and referred to the Commerce Committee, which did conduct thorough hearings.

Printed hearings became available only today. Therefore, Members probably have not read the strong testimony against abandonment of the principal which Congress established in the Wheeler-Rayburn Act. Senator Wheeler was floor manager of the bill and he stated the principle succinctly:

> Utility holding companies shall confine themselves to gas and electric service and not continue to mix into all manners of other businesses.

So Members probably have not read the testimony of Dr. Clay Cochran, executive director of the National Rural Housing Alliance, and his suggested housing alternative, employed by Duke Power Co. Members have not seen the charts regarding holding company subsidiaries prepared by Angus McDonald. Nor have they read the profound testimony of Prof. William Melody of the University of Pennsylvania, who spelled out the adverse effects of such an amendment on competition and regulation.

This bill has been merchandized as a method of assisting low- and moderate-income housing programs. As the hearing record will show, utility officials and regulators state that utilities can make between 20 and 25 percent on their equity annually, through depreciation of these housing subsidiaries. The committee amendment does not change that feature of the program. No one has yet been able to explain to me how decreasing utility taxes translates into low-cost housing.

Nor has there been any shortage of prospective sponsors for moderate- and low-cost housing. The shortage, as the committee report states, has been one of Government funds. And Government funds are decreased by broadening the area of allowed depreciation available to holding companies under the terms of this bill.

A "sweetener" added by the committee provides that a tenant may serve on the board of the holding company's housing subsidiary. I trust that all Members understand how all subsidiaries of holding companies are controlled from the top down.

Middle South runs its gulf coast subsidiaries from New York. American Electric Power runs its Midwest subsidiaries from New York. Central and Southwest, a Delaware holding company, runs its Texas, Oklahoma, and Louisiana subsidiaries from Chicago. Holding company ownership of housing subsidiaries will simply insure that the landlord is far removed and well insulated from the tenant.

The bill provides for three possible types of regulation, by State housing regulation agencies, of which there are few, by the Department of Housing and Urban Development and the Securities and Exchange Commission. That type of regulation is sufficiently diffuse to assure that there will be no regulation. And that nonregulation is underpinned by the amazing finding of the Commerce Committee, stated on page 9 of its report on the bill, that HUD and the SEC can administer the bill "without additional personnel or funding."

Mr. President, what this all means is that if we enact this legislation the utility will do the regulating. As the committee report points out, on page six:

> Utilities possess significant expertise in dealing with governmental regulators.

The utilities already have HUD under firm regulation in connection with this bill. You can see from my testimony and inserts at the hearing how the memorandum of Hugh C. Daly, executive vice president of Michigan Consolidated Gas Co., became the HUD memorandum, virtually word for word, complete with identical grammatical errors.

I can well imagine the difficulty which a fuel supplier, if not associated with the utility housing sponsor, will have under the terms of this bill. It provides that "the hearing and/or cooling system selected shall be that system which is most economical, considering all relevant factors."

Probably the most relevant factor is that the utility sponsor will be in on the project from the beginning. That utility subsidiary will be able to juggle costs so that it can appear to offer a better deal than a possible competitor. Additionally, the utility sponsor will have a day-to-day working relationship with his HUD "regulators"; a distinct advantage over an outside competitor. And HUD, of course, will not have any additional staff or funds for independent comparison.

Attorney General Kleindienst, in his favorable report on the bill, appearing on page 13 of the committee report, speaks bravely of the "appropriate exer-

cise of the regulatory power grants to the Securities and Exchange Commission by the bill." More authority; and no money, for the Commission which only this year initiated divestiture proceedings against a utility holding company under authority it has had for 34 years, but which has not been used because of a shortage of funds.

I ask unanimous consent to have printed in the RECORD an editorial from Electrical World on this point. It may help the tenant member of the board of directors of some utility housing subsidiary understand the charade of meaningless regulation in this bill.

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

[From Electrical World, Aug. 1, 1972]

SEC EXPLORES DIVESTITURES

When the Securities & Exchange Commission ordered a hearing to determine whether Delmarva Power & Light Co should retain both its electric and gas operations, the Commission's Division of Corporate Regulation began to step up its enforcement of regulated public utility holding companies again.

Under the 1935 Public Utility Holding Co. Act, SEC has the power ot decide whether regulated holding companies may hold both gas and electric systems. According to the law, which has been in force since Jan. 31, 1938, a regulated interstate holding company may operate one utility system, either gas or electric. But it must have approval from the SEC to operate both. There are only four combined electric-gas SEC regulated utility holding companies that now are interstate—Delmarva; Northeast Utilities; Middle South Utilities Inc.; and New England Electric System, on an SEC order, divested four out of eight of its gas firms and is seeking to divest the rest.

It is fair to assume that SEC will look into the other two companies. Among the subjects the agency intends to explore is the question of conglomerates that own regulated gas and electric companies.

Following a number of conglomerate acquisitions, which SEC OKed, large companies have emerged which own subsidiary gas and electric companies, according to sources. SEC approval, however, was contingent on divesture of either gas or electric operations. If these conglomerates agreed, but they have been noticeably slow in acting out the agreements. Since Congress has now beefed up the SEC's Division of Corporate Regulation, conformity with the regulations is expected to be more quickly enforced.

Nevertheless, divesture hearings before the SEC have been very slow. Delmarva, for instance, admits that it has known for years that it would be subject to hearings. "We've known the company might receive consideration, and we've been expecting to hear," says James L. Hammond, Delmarva's financial vice president. "But we had no idea it would happen now. It's no surprise, but it's quite a shock." With a very small staff, it's taken the SEC 35 years to get around to Delmarva.

The last divestiture hearing before the SEC began in 1957 against New England Electric System. NEES was finally forced to divest itself of its gas activities to keep its electric operations. The case, though, went all the way to the Supreme Court and was not settled until 1969. SEC has never lost a case under the 1935 law. NEES still owns Mystic Valley Gas Co., North Shore Gas Co., Lawrence Gas Co., and Lynn Gas Co.

If Delmarva could prove, however, that it would lose substantial revenue if it were not to continue as a combined gas and electric system, it would survive the SEC test. It operates a gas system in Wilmington as well as electric transmission and generating operations on the peninsula formed by Delaware and parts of Maryland and Virginia.

Some 21% of Delmarva's 1970 operating revenues came from gas. If forced to divest, the company would be expected to rid itself of that operation. And it could be spun off easily.

It could still be some years before that happens. If the SEC rules against Delmarva, the company could appeal. If the appeal fails, it could go to court. If the company still loses, it would have a year to divest itself of its gas operations, and even then ask for a year of grace to complete divesture.

Mr. METCALF. Mr. President, on Wednesday, Representative VANIK of Ohio told the Joint Economic Committee how companies disregard SEC rules, refusing even to tell the straight story on taxes which they pay. And some Members may recall that a few weeks ago I placed in the RECORD a letter from Chairman Casey of the SEC who told me that his Commission did not even know who the top stockholders in major corporations are. My own studies have shown that banks have a greater concentration of stock in holding companies—and it is usually stock which banks vote—than is reported to Government regulators. I mention this in connection with the committee's argument, on page 6 of the report, that "utilities also have access to money, often at lower rates of interest than small construction companies."

The committee has stated a fact. But should the Senate increase the problems for small builders by permitting privileged and huge corporations to move into their business? Is that the direction in which the committee wants the Congress to go? If it is, Mr. President, I believe small businessmen and builders should become aware of this development prior to Senate action.

Mr. President, I remember how, 2 years ago, prior to the debate on the similar bill, I walked to the Senate Chambers that evening through corridors that were darkened because of the brownout. It was June, and the electric utilities were having great difficulty keeping their system going. Today we are in a similar situation. The Chairman of the Federal Power Commission and others are talking about the likelihood of brownouts and blackouts. Utility companies have plenty to do already. There is no need for them to engage in enterprises which may damage small competitors and make more of a mockery of regulation while depleting the Treasury through construction of tax-loss housing. I urge the defeat of this bill.

Mr. President, many of the issues in the proposed legislation already have been discussed as part of the amendment that was submitted and part of some of the previous statements that have been made.

I compliment and applaud the committee. Thorough hearings were held. Skilled, interested, and concerned persons presented testimony on both sides. Amendments that were prepared closed many of the doors and will prevent many of the abuses that could have occurred and were not anticipated under the original legislation. I am in full accord with the amendments and the contributions of the committee and the close study the committee made of this bill.

But I think it should be emphasized that this special legislation applies to only 17 multi-State corporations in America. It amends the Holding Company Act and applies only to holding company utilities. When former Senator Burton K. Wheeler handled the Holding Company Act on the floor, he pointed out that the primary purpose was to provide that utility holding companies shall confine themselves to gas and electric service and not continue to mix into all matters of public business. Operating utilities, under present law and under State regulations, if not part of a holding company can go into the housing business the same as any other business in many States.

All we are doing here is to provide special legislation for a special kind of monopoly interest; namely, a multi-State holding company.

That brings up the second point, the argument the senior Senator from Michigan made, that one of the ways to get better management and better control is to turn to the managers of public utility companies. Admittedly, they have some of the best businessmen in America, but if that were a logical argument, we would turn a modern-day Samuel Insull or someone of that sort who put together the holding companies and created the abuses which brought about the Wheeler-Rayburn Act way back in the 1930's.

Let me point out that some of the companies involved which would be permitted to go into the housing business are not local companies.

The Allegheny System is a holding company. It has the Allegheny Power Service Co.; the Potomac Edison Co.; the Pennsylvania, West Virginia, & Virginia Co.; the West Penn Power Co.; the Allegheny Pittsburgh Coal Co.; the West Virginia Power & Transmission Co.; the West Penn West Virginia Co.; the Water Power Co.; the Beech Bottom Power Co.; and the Monongahela Power Co.

The Appalachian area will be managed from New York. The management will come from New York. It will have to be the kind of skilled management that the Senator from Michigan was talking about that he wants for housing in the inner cities.

Mr. President, I ask unanimous consent to have printed from the hearings, some excerpts on holding companies and where a few of these multi-State holding companies are located.

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

THE ALLEGHENY POWER SYSTEM

The Allegheny Power System, Inc., is a holding company. The territory served by its electric properties is located principally in Pennsylvania, West Virginia and Maryland, and also in adjacent sections of Ohio and Virginia. This territory has an area of approximately 29,100 square miles with a population of approximately 2,600,000.

Allegheny's subsidiaries include the Allegheny Power Service Corp., the Potomac Edison Co. (also a holding company), the Potomac Edison Companies of Pennsylvania, West Virginia and Virginia, the West Penn Power Co., the Allegheny Pittsburgh Coal Co., the West Virginia Power and Transmis-

sion Co., the West Penn West Virginia Co., Water Power Co., the Beech Bottom Power Co. and the Monongahela Power Co.

The Allegheny Power System is governed by a board of directors, all of whom have interlocks with outside companies and organizations. Only one board member of a subsidiary is linked with an outside organization.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE ALLEGHENY POWER SYSTEM

Board Members interlocked with outside companies and organizations: Kammert, Lyon, May, McCardell, Newton, Nichols, Oliver, Rice, Taggart, Walworth, and Wilkerson.

Board Members with no outside interlocks: None.

Board Members of Subsidiaries with outside interlocks: McAlary.

Board Members of Subsidiairies with no outside interlocks: Cowherd, Hunter, MacMullen, and Sanders.

The Allegheny Power System has director interlocks with four banks including First National City Bank and Chemical Bank New York Trust Co. Allegheny is also interlocked with four other financial institutions.

First National City Bank, the third largest Bank in the U.S., ranked by deposits has one interlock with Allegheny. Chemical bank New York Trust Co., the sixth largest in the U.S., has three directors on its Board who are also directors of Allegheny.

According to a study made by the House Banking and Currency Committee, First National City Bank had common stockholdings with 25 major corporations and director interlocks with 81 major corporations. Chemical Bank New York Trust Co. had significant common stockholdings in 21 major corporations and director interlocks with 96 major corporations.

Directors of the Allegheny Power System are interlocked with two life insurance companies, 5 other electric utility groups (aside from its own subsidiaries), one supplier, 5 educational institutions including New York Univ. and the College of William and Mary. Allegheny is also linked with three foundations, 1 hospital and 11 other miscellaneous businesses including the Borden Co., American Sugar, Johns Manville and Allied Chemical.

ALLEGHENY POWER SYSTEM

1. Banks:
First National City Bank (Oliver)
Chemical Bank N.Y. Trust (Newton, Nichols, Rice)
Dry Dock Savings Bank (Lyon, May, Oliver)
Virginia Commonwealth Bank Shares (Newton)
2. Other Financial Institutions:
Discount Corporation of N.Y. (Lyon)
City Investing Mortgage (Lyon)
Wash. Co. United Fund (McCardell)
Niro Atomizer Financial (Nichols)
3. Insurance:
Savings Bank Life Ins. Fund (Lyon)
Institute of Life Ins. (Newton)
4. Other Electric Utilities and Utility Related:
Ohio Valley Electric (Kammert)
East Central Nuclear Group (Kammert)
Neptune Meter (Nichols)
Edison Electric Institute (Kammert)
Public Utility Ass'n of the Virginias (McCardell)
5. Other Suppliers: Windsor Power House Coal (Kammert)
6. Educational:
New York Univ. (Taggart, Nichols)
College of William and Mary (Newton)
Hagarstown Jr. College (McCardell)
Virginia Theological Seminary (Newton)
Colby Jr. College (Nichols)
7. Research and Professional:
Nichols Engineering (Nichols)
Nichols Engineering and Research (Nichols)
8. Other Non-Profit:
Nichols Foundation (Nichols)
Greenich House (Nichols)
Federal Protestant Welfare Agencies (Nichols)
9. Cultural: N.Y. Zoological Society (Nichols)
10. Health: Putman, Memorial Hospital, Bennington, Vt. (Nichols)
11. Miscellaneous:
Bordens (Oliver)
Duff Morton (Oliver)
Amer. Enka (Oliver)
Amer. Sugar (Oliver)
Polychrome Corp. (Oliver)
Johns Manville (May)
J. J. Newberry (Taggart)
Federal Paper Board (Taggart)
Tishman Realty and Construction (Taggart)
Hubbard Real Estate Investments (Taggart)
Allied Chemical (Nichols)

THE AMERICAN ELECTRIC POWER CO.

The American Electric Power Co. controls the Appalachian Power Co. which is engaged in the generation, purchase transmission and distribution of electric energy and its sale to the public in extensive territories in Virginia and West Virginia and in supplying of electric energy at wholesale to other electric utility companies and municipalities in those states and in Tennessee. The company serves 1,177 customers in a 19,260 square mile area having an estimated population of 1,919,000.

Subsidiaries of Appalachian are the Central Appalachian Coal Co., the Central Coal Co., the Central Operating Co., the Kanawha Valley Power Co. and the West Virginia Power Co.

AEP controls the Michigan Power Co., which provides electric service to 23,706 customers in southwestern Michigan and gas service to 44,892 customers in Southwestern Michigan and the upper peninsula of Michigan.

AEP controls the Ohio Power Co., which serves 557 communities and over 539,000 customers in a 7,372 square mile area in the Northwestern, East Central, Eastern and Southern Sections of Ohio, an area with an estimated population of 1,633,000.

Subsidiaries of the Ohio Power Co. include: Beech Bottom Power Co., Captina Operating Co., Cardinal Operating Co., Central Coal Co., Central Ohio Coal Co., Central Operating Co., and the Windsor Power House Coal Co.

The American Electric Power Company controls the Indiana and Michigan Electric Company which is engaged in the generation, transmission and sale of electric power to other utilities and municipals. It supplies 163 communities and over 358,000 customers in a 7,740 square mile area in northern and eastern Indiana and the southwestern part of Michigan having an estimated population of 1,522,000. Indiana and Michigan Electric owns the South Bend Manufacturing Co. and is acquiring the Indiana and Michigan Power Co.

The American Electric Power Co. controls the Kentucky Power Co., which serves 288 communities and over 105,000 customers in a 5,700 square mile area in the eastern section of Kentucky.

AEP controls the Wheeling Electric Co., which supplies electric service in 21 communities in West Virginia, the principal of which are Wheeling and Moundsville. Estimated population served is 102,000.

In April 1970 American Electric Power planned to enter into a housing development in Cambridge but was stopped by the Securities and Exchange Commission. The SEC rejected the housing proposal since utility holding companies are prohibited by the Holding Company Act of 1935 from engaging in unrelated utility activity.

The American Electric Power Co. and its subsidiaries are controlled by a board of 13. Eight members of the Board are interlocked with other corporations and organizations.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE AMERICAN ELECTRIC POWER CO.

Board Members interlocked with outside companies and organizations: Aldrich, Boeschenstein, Brown, Cook, Cohn, Folsom, Menge, and Stanton.

Board Members with no outside interlocks: Amos, Dicke, Gavin, Patterson, and Rose.

Board Members of Subsidiaries with outside interlocks: Fourance and Prentice.

Board Members of subsidiaries with no outside interlocks: Baker, Bryan, Byler, Clapper, Flanigan, La Fon, Maloney, Pifer, Sampson, Sheats, Stark, Stewart, Tillinghast, White, Emler, and Kopper.

The American Electric Power Co. is linked with four banks including the Chemical Bank New York Trust and one other financial institution. American Electric has interlocks with three insurance companies including New York Life Insurance and the Equitable Life Assurance Society of the U.S.

American Electric has common directorships with the Southern Pacific Co., the Union Pacific Railroad and Pan-American Airways. It is linked with 5 professional organizations and 6 ostensibly non-profit groups. Its directors are also directors of two hospitals, the Columbia Broadcasting system and the American Broadcasting Co. American Electric Power is interlocked with 19 other businesses including Kroger, Borden and the Rand Corporation.

AMERICAN ELECTRIC POWER CO.

1. Banks:
Ohio Citizen's Trust (Boescheinstein)
Chemical Bank New York Trust (Brown
Troy Savings Bank (Folsom)
Lincoln National Bank (Kopper)
2. Other Financial: Diebold Technology Venture Fund (Stanton)
3. Insurance:
New York Ins. (Stanton)
Lincoln National Life Ins. (Menge)
Equitable Life Assur. Society of U.S. (Aldrich)
4. Other Utilities: Ohio Valley Elec. Corp. (Armstrong) (Cook)
5. Transportation:
Southern Pacific Co. (Aldrich)
Union Pacific RR (Brown)
Twin Branch RR (Cohn) (Cook) (Elmer) (Kopper) (Whitman)
Pan American World Airways (Stanton)
6. Business:
Ohio Chamber of Commerce Bd. (Boeschenstein)
National Industrial Conference Bd. (Boeschenstein)
7. Professional:
Rensselaer Poly Inst. (Folsom)
Nat'l Acad. Engineering (Folsom)
Amer. Soc. of Mech. Engineers (Folsom)
Amer. Inst. of Aeronautics (Folsom)
Carnegie Inst. (Stanton)
8. Non-Profit:
Amer. Assembly (Brown)
Farm Electrification Council (Dir)
Theodore Von Karnam Mem. Foundation (Folsom)
Water Resources Associated (Fournace)
Ohio Public Expenditures Council (Fournace)
Rockefeller Foundation (Stanton)
9. Health:
Presbysterian Hospital (Aldrich)
Toledo Hospital (Boeschenstein)
10. Media:
Columbia Broadcasting System (Brown) (Stanton)
Amer. Broadcasting (Cook)
11. Cultural:
American Museum of Natural History (Aldrich)
Metropolitan Museum of Art (Aldrich)

12. Miscellaneous:
Owens-Corning Fiber Glass (Boesnchenstein)
Kroger (Boescheinstein)
Assoc. Dry Goods (Brown)
Uris Bldg. (Brown)
Borden (Brown)
Franklin Real Estate (Cohn) (Cook) (White) (Kopper)
South Bend Mfg. (Cook) (Kopper)
Diebold Computer Leasing (Cook)
Lincoln National (Cook)
Air Reductions (Folsom)
Arthur D-Little (Folsom)
Bendix (Folsom)
Research Analysis (Folsom)
Potter Instrument (Folsom)
Ohio Valley Improvement (Fournace)
Magnavox (Menge)
Lincoln National (Menge)
Rand (Stanton)

THE COLUMBIA GAS CO.

The Columbia Gas System, Inc., is a holding company owning securities of its subsidiaries primarily engaged in the production, distribution and sale of natural gas. It services approximately 4,000,000 customers in an area of 18,000,000 population in the States of Kentucky, Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia, and the District of Columbia.

Columbia Gas controls the following subsidiaries:
United Fuel Gas Co.
Atlantic Seaboard Corp.
Big Marsh Oil Co.
Columbia Gas of Ky., Va., West Va.
Kentucky Gas Transmission Corp.
Columbia Gas of Ohio
Ohio Fuel Gas Co.
Ohio Valley Gas Co.
Columbia Gas of Pa.
Mfg. Light and Heat Co.
Columbia Gas of Md., N.Y.
Cumberland and Allegheny Gas Co.
Homes Gas Co.
Inland Gas Co.
Columbia HydroCarbon Corp.
Preston Coil Co.
Columbia Gas System Service Corp.
Columbia Gulf Transmission Co.
Columbia LNG Corp.
Columbia Gas Development Corp.
Columbia Coal Gasification Corp.

The Columbia Gas System is governed by a board of seventeen. Six of the Board are interlocked with outside companies and organizations. Eleven are not.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE COLUMBIA GAS SYSTEM, INC.

Board Members interlocked with outside companies and organizations: Blair, Evans, Loomis, Partridge, MacNichol, Jr., and Roche.

Board members with no outside interlocks: Batten, Clarke, Clute, Crissman, Duemler, Durzo, Fletcher, Pringle, Stauffer, Sproul, and Hillenmeyer.

COLUMBIA GAS SYSTEM, INC.

1. Banks:
United National Bank of Pittsburgh (Livingstone)
First National Bank of Newcastle (Blair)
Chemical Bank New York Trust (Loomis)
Kanawha Valley Bank (Evans)
Morgan Guaranty Trust (Young)
2. Insurance: Home Life Ins. (Loomis)
3. Closely Related:
Carbon Fuel (Evans)
Quincy Coal (Evans)
Paga Mining (Evans)
4. Economic:
Industrial Relations Counselors (Baker)
Iron and Steel Institute (Roche)
Nat'l Industrial Confer. Bd. (Young)
5. Transportation:
Wyandotte Transportation (MacNichol)
Atlantic Seaboard (Loomis)
6. Education:
Morris Harvey College (Evans)
Duquesne Univ. (Roche)
Muskingum College (Young)
Princeton Theological Seminary (Young)
7. Health:
Providence Hosp. (Livingstone)
Toledo Hosp. (Livingstone)
Memorial Hospital (Evans)
8. Cultural: Toledo Museum of Arts (MacNichol)
9. Miscellaneous:
Babcock and Wilcox (Livingstone)
Sawhill Tubular Production (Livingstone)
E. A. Livingstone (Livingstone)
Fred F. French (Baker)
National Blank Book (Baker)
Thompson Weinman (Baker)
White Pigment (Baker (Evans))
Blair Strip Steel (Blair)
Southeastern Plastics (Blair)
Mat-Flo (Blair)
Tuscarora Plastics (Blair)
Wyandotte Chemicals (MacNichol)
Amer. Standard (MacNichol)
Libby Owens Ford (MacNichol)
Johns-Manville (MacNichol)
Atlas Chemical Industries (Partridge)
Va. Int'l (Partridge)
Dickson (Evans)
Pittsburg Brewong (Roche)

THE GENERAL PUBLIC UTILITIES CORP.

The General Public Utilities Corporation is a holding company controlling public utility operating companies located in New Jersey and Pennsylvania. Its subsidiaries include:

(1) Jersey Central Power and Light and New Jersey Power and Light which serve sections of New Jersey with a population of about 1.5 million people and comprising approximately 3,300 square miles or about 43% of the total area of the State.

(2) The Metropolitan Edison Co., which provides service to the eastern and central sections of Pennsylvania with a population of about 830,000 people and comprising approximately 3,300 square miles.

(3) The Pennsylvania Electric Co., which serves a portion of Pennsylvania extending from the Maryland-Pa. state line northerly to the New York State line, including, a population of 1.5 million people and aggregating approximately 17,600 square miles. The Ninevah Water Co. and the Waverly Elec. Light and Power Co. are subsidiaries of the Pennsylvania Electric Co.

(4) Waterford Electric Co. (Pa.).

The General Public Utilities Corporation is governed by a board of nine members, 8 of whom are interlocked with outside companies or organizations. Two Board members of subsidiaries are interlocked with outside groups. Seven have no outside interlocks.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE GENERAL PUBLIC UTILITIES CORP.

Board Members interlocked with outside companies and organizations: Chapin, DeVitt, Henderson, Isaacs, Kuhns, Lanier Stauffacher, and Thun.

Board members with no outside interlocks: Tegen.

Board members of subsidiaries with outside interlocks: Bovier and Devorris.

Board members of subsidiaries with no outside interlocks. Dodson, Lumnitzer, Sims, Smith (Fred), Smith (Franklin), Verroch, and Schneider.

The General Public Utilities Corporation is interlocked with five banks and twelve other financial institutions. Included among the banks are Chase Manhattan, the second largest bank in the U.S. ranked by deposits and Marine Midland Grace Trust, the 23rd largest. According to a House Commerce Committee study, Chase Manhattan owned several years ago substantial blocks of common stock and had at that time interlocks with 79 major corporations.

Members of the Board of General Public Utilities hold directorships in four insurance companies, one other utility and one railroad (Southern Pacific). It is linked to three educational institutions, one film company (20th Century Fox) and 19 other businesses including Phelps Dodge and the Continental Can of the U.S. and Canada.

DIRECTOR INTERLOCKS OF THE GENERAL PUBLIC UTILITIES CORP. WITH OTHER COMPANIES AND ORGANIZATIONS

1. Banks:
Trust Co. National Bank (Bovier)
First National Bank of Pennsylvania (DeVitt)
Union Bank and Trust (Devorris)
Marine Midland Grace Trust (Kuhns)
Chase Manhattan Bank (Stauffacher)
2. Other Financial:
Massachusetts Investors Growth Stock Fund (Isaacs)
Massachusetts Investors Trust (Isaacs)
Fiduciary Exchange Fund (Isaacs)
Second Fiduciary Exchange Fund (Isaacs)
Leverage Fund (Isaacs)
Canada General Fund (Isaacs)
Depositors Fund of Boston (Isaacs)
Exchange Fund of Boston (Isaacs)
Diversification Fund (Isaacs)
Capital Exchange Fund (Isaacs)
General American Investors (Stauffacher)
Thun Investment (Thun)
3. Insurance:
Utilities Mutual Insurance (Bovier)
Home Life Insurance (Kuhns)
American Manufacturing Mutual Insurance (Stauffacher)
Lumberman's Mutual Casualty (Stauffacher)
4. Other Utilities: Central Vermont Public Service (Chapin)
5. Transportation: Southern Pacific (Isaacs)
6. Business: New Jersey Chamber of Commerce (Bovier)
7. Education:
Lehigh University (Isaacs)
Dexter School (Isaacs)
Pomona College (Stauffacher)
8: Media: 20th Century Fox Film (Henderson)
9. Health: Children's Hospital (Isaacs)
10. Non-profit: Turner Halsey Charitable Foundation (Lanier)
11. Research: National Industrial Conference Board (DeVitt)
12. Miscellaneous:
Coca Cola Bottling Co. of Miami (Chapin)
Cenco Instruments (Chapin)
Nova (Chapin)
Grow Chemical (Chapin)
Esterline (Chapin)
Realty Equities Corp. of N.Y. (Chapin)
Lora (Chapin)
Hammermill Paper Institute (DeVitt)
American Sterilizer (DeVitt)
American Paper Institute (DeVitt)
Small Tube Products (DeVorris)
Phelps Dodge (Isaacs)
Turner Halsey (Lanier)
Lanier Textile (Lanier)
Wehadkee Yarn Mills (Lanier)
Mt. Vernon Mills (Lanier)
Continental Can (Stauffacher)
Vulcan Materials (Stauffacher)
Continental Can Co. of Canada Ltd. (Stauffacher)

THE NEW ENGLAND ELECTRIC SYSTEM

The New England Electric System is a holding company. Its subsidiaries are principally engaged in the generation and/or the purchase and the distribution and sale of electricity and the distribution and sale of natural gas. Electricity is provided at retail in 194 municipalities; in Mass. 145; in Rhode Island, 27 and in New Hampshire, 22, for a total population of about 2,700,000. The Service Area covers about 4,500 square miles.

Subsidiaries include the following:
Granite State Elec. Co. (N.H.)
Mass. Elec. Co. (Mass.)
Narragansett Elec. Co. (Mass.)
New England Power Ser. Co. (Mass.)

Mass. Gas System (Mass.)
Central Mass. Gas Co.
Lawrence Gas. Co.
Lynn Gas Co.
Mystic Valley Gas Co.
Northampton Gas Light Co.
North Shore Gas Co.
Norwood Gas Co.
Wachusett Gas Co.

The New England Electric System is governed by a board of 15 members. Nine members have interlocks with outside companies and organizations. Eight board members of subsidiaries (aside from New England's directors) have interlocks with other groups. Forty-five board members of subsidiaries have no interlocks with other companies.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE NEW ENGLAND ELECTRIC SYSTEM

Board Members interlocked with outside organizations and companies: Burr, Carter, Getman, Krause, O'Connell, Orr, Webster, Bennett, and Nichols.

Board Members with no outside interlocks: Tanner, Wiesher, Fletcher, Moore, Cole, and McCarthy.

Board Members of subsidiaries with outside interlocks: Allen, Murphy, Rogers, Goodnow, Martin, Ahern, Bourgeois, and Brightman.

Board Members of subsidiaries with no outside interlocks: Bailey, Bergstrom, Black, Bleiken, Bliss, Cadigan, Chane, Chaffield, Clark, Cole, Couser, Crabtree, Cutliffe, DeRose, Devitt, DiPrete, Eichorn, Fabiani, Fite, Fletcher, Haas, Hassenfield, Hodgman, Hough, Huxtable, Jaquith, Johnson, Joslin, Judy, Knight, Maguire, McCarthy, Marando, Moore, Morrison, Murray, Poist, Robinson, Sawyer, Schofield, Smith, Tanner, Tyler, Wiesner, and Williams.

Fifteen members of the Board of the New England Electric System and subsidiaries hold directorships in 18 banks and 12 other financial institutions. Among the banks are the Federal Reserve Bank of Boston and the First National Bank of Boston. First National is the 17th largest bank in the U.S. According to a House Commerce Committee study it held in 1967, 284 interlocks in 203 companies.

Seven directors of the New England Electric System and its subsidiaries hold 14 directorships in 13 insurance companies including Hanover Life. One individual is a director in seven of these companies. Two other directors each hold directorships in the remaining four companies.

Five directors are interlocked 11 times in 10 utilities other than the New England Electric System. Directors of New England are interlocked with six educational institutions, one broadcasting company, four hospitals or health institutions and 42 miscellaneous businesses. The businesses include First National Stores, Textron, Howard Johnson and Rand.

DIRECTOR INTERLOCKS OF THE NEW ENGLAND ELECTRIC SYSTEM AND ITS SUBSIDIARIES WITH OTHER COMPANIES AND ORGANIZATIONS

1. Banks:
Union Warren Savings Bank (Ahern)
Union National Bank of Lowell (Bourgeois)
Peoples Savings Bank (Brightman)
Old Colony Trust (Burr)
Warren Institute for Savings (Burr)
Fiduciary Trust of New York
Federal Reserve Bank of Boston (Carter)
Industrial National Bank (Getman)
Industrial Bancorporation (Getman)
First National Bank of Boston (Krause)
South Shore National Bank (Martin)
Shipbuilders Cooperative Bank (Martin)
First Bristol County National Bank (Murphy)
Peoples Savings Bank (O'Connell)
Merrimac County Savings Bank (Orr)
Bank of New Hampshire (Orr)
Essex County Bank and Trust (Rogers)
Lyn 5¢ Savings Bank (Rogers)

2. Other Financial:
Federal Street Capital (Ahern)
Jeanne d'Arc Credit Union (Bourgeois)
United Fund (Brightman)
State St. Investment (Burr) (Bennett)
Federal St. Fund (Burr) (Bennett)
New Hampshire Charitable Fund (Carter)
Amer. Group Companies Fund (O'Connell)
State St. Research and Management (Bennett)
Second Federal St. Fund (Bennett)
U.S. and Foreign Securities (Bennett)

3. Insurance:
Boston Mutual Life Ins. (Ahern)
MFB Mutual Ins. (Brightman)
American Employers Ins. (Burr)
Employers Fire Ins. (Burr)
State Mutual Life Assurance (O'Connell)
American Variable Annuity Life Assurance (O'Connell)
Guarantee Mutual Ins. (O'Connell)
Worcester Fire Ins. (O'Connell)
Hanover Ins. (O'Connell)
Hanover Life Ins. (O'Connell)
May Bay Ins. (O'Connell)
Merchants Mutual Ins. (Orr)
United Life and Accident Ins. (Orr)
John Hancock Mutual Life Ins. (Bennett)

4. Other Utilities:
Merrimack Essex Elec. (Bourgeois)
Buzzards Bay Gas (Bourgeois)
Gas (Bourgeois)
Vermont Yankee Nuclear Power (Webster) (Krause)
Maine Yankee Atomic Power (Webster) (Krause)
Conn. Yankee Atomic Power (Webster) (Krause)
Concord Gas (Orr)
Yankee Atomic Elec. (Webster)
Middle South Utilities (Bennett)
Florida Power and Light (Bennett)

5. Suppliers: Commonwealth Oil Refining (Bennett)

6. Transportation: American Airlines (Burr)

7. Education:
Massachusetts Higher Education Assistance (Ahern)
Family Counseling (Ahern)
Stonehill College (Ahern)
Walter E. Fernald State School (Ahern)
Dartmouth College (Orr)
Harvard Univ. (Bennett)

8. Media: State Mutual Broadcasting (O'Connell)

9. Cultural: Museum of Science (Krause)

10. Health:
Eunice Kennedy Schriver Center (Ahern)
Blue Shield (Bourgeois)
Rhode Island Hospital (Brightman)
Newton Wellesday Hosp. (Krause)

11. Charitable:
Rice Eventide Home (Martin)
Hordgreen Memorial Chapel (O'Connell)

12. Miscellaneous:
Amoskeag (Ahern)
Mass. Business Devel. (Ahern)
Westville Homes (Ahern)
Hewlett-Packard (Bennett)
Prince Macarone Mfg. (Bourgeois)
Mass. Business Devel. (Bourgeois)
Robinson Toy and Dyeworks (Bourgeois)
Educator Biscuit (Bourgeois)
Faulkner Textile (Bourgeois)
Sabal Palm Apts. (Bourgeois)
N. Billerina (Bourgeois)
Tilton (Bourgeois)
Swann Point Cemetery (Brightman)
Employers Group Associates (Burr)
Educator Biscuit (Burr)
First National Stores (Burr)
Nashua (Carter)
Nashua Canada Ltd. (Carter)
Copy Cat Ltd. (Carter)
Coygraph G. M. B. H. Vie (Carter)
Textron (Getman)
Machine Parts (Goodnow)
Hardward Products (Goodnow)
Wentworth Institute (Krause)
Howard D. Johnson (Martin)
National Tuberlow (Martin)
Standard Plastics (Murphy)
Pylon (Murphy)
Curtis and Marbee Mach. (O'Connell)
Downing Realty (O'Connell)
G. and W. of Worcester (O'Connell)
Lindquist Tool and Mfg. (O'Connell)
Smith Valve (O'Connell)
Val Aid Realty (O'Connell)
Donohue Industries (O'Connell)
Colonial Distributors (O'Connell)
Gurney Engineering (O'Connell)
Coy Paper (Orr)
T. W. Rogers (Rogers)
Rogers Realty (Rogers)
Huyck (Webster)
Rand (Webster)

THE SOUTHERN CO.

The Southern Company is a holding company. Its subsidiaries are the Alabama Power Co., which serves a population of 2,800,000; the Georgia Power Co., which serves a population of 4,300,000; Gulf Power (Fla.) which serves a population of 500,000 and Miss. Power (Miss.) which serves a population of 600,000. Southern serves a total of 1,492 communities and a population of 8,005,000 in an area of about 120,000 square miles.

Southern is governed by a board of 18 members 13 of whom are interlocked with outside corporations and organizations. Twelve Board members of Southern's subsidiaries (who are not members of Southern's Board) have outside interlocks; 41 members of the Board of Southern's subsidiaries have no outside interlocks.

COMPOSITION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CO. AND ITS SUBSIDIARIES

Board Members with outside interlocks with company and organizations: Anderson, Branch, Cabiniss, Carmichael, Farley, Hatch, Jones, McGowin, Nelson, Shook, Vereen, Vogtle, and Watson.

Board members with no outside interlocks: Ellis, Lewis, Lilly, Radcliff, and Morris III.

Board Members of subsidiaries with outside interlocks: Craft, Crist, Bouldin, Faulk, Hand, Hardman, Moody, Plummer, Rushton, Seal, E. D. Smith, and F. M. Turner.

Board Members of subsidiaries with no outside interlocks: Barton, Bedsole, Bell, Bomke, Booker, Bowen, Brownlee Burnett, Burns, Burton, Crooks, Daniel, Dantzler, Dean, Ehrensperger, Ezell, Fickling Gasten, Hart, Hunter, Inzer, Jackson, Jaeger, Johnson III, Lane, Long, Lupberger, McCaim, McDonough, Miller, Murfee, Nelson, Parker, Pulley, Ruckel, Saunders, Scherer, W. B. Turner, Wainer, Wallace, and Wansley.

Members of the Board of Southern and its subsidiaries are interlocked 26 times with 19 banks. It is interlocked 4 times with the First National Bank of Birmingham. One director is interlocked with 4 ostensibly competing banks. Southern also has 16 interlocks with 10 insurance companies; 5 interlocks with four other financial institutions; 5 interlocks with 4 utility related organizations; 7 interlocks with 6 railroads; one interlock with Lockheed Aircraft and one with Eastern Airlines. Southern and its subsidiaries have 41 interlocks with other businesses including U.S. Steel, Jones and Laughlin. Mobile Steel, General Motors, Kroger and Winn Dixie Stores. It is also linked with four educational institutions including the University of Alabama and the Tuskegee Institute.

INTERLOCKS OF THE SOUTHERN CO. WITH OUTSIDE COMPANIES AND ORGANIZATIONS

1. Banks:
Trust Co. of Georgia (Craft) (Carmichael)
Allied Bank Int'l (Craft)
Citizens and Southern Nat'l. Bank (Anderson) (Hardman)
First Nat'l. Bank of Birmingham (Bouldin) (Cabiniss) (Farley) (Rushton)
Merchants National Bank of Mobile (Faulk)
First National Bank (Hand) (Hardman)

Federal Reserve Bank of Atlanta (Hatch)
First National Bank of Tuscaloosa (Moody)
Commercial Bank in Panama City (Nelson)
Springfield Commercial Bank (Nelson)
First National Bank of Montgomery (Plummer)
Hancock Bank (Seal) (Watson)
Bank of Wiggins (Seal)
First National Bank of Atlanta (Smith)
First Bank and Trust (Turner)
Bank of the South (Turner)
Bank of West Florida (Turner)
Barnett Banks of Fla. (Turner)
Citizens and Southern Bank of Colquitt (Vereen)
2. Other Financial:
Retail Credit (Craft) (Smith)
City Investing (Hatch)
Investment Co. of Amer. (Rushton)
3. Insurance:
Life Ins. Co. of Georgia (Craft)
General Reinsurance (Branch)
Georgia Int'l. Life Ins. (Carmichael)
Liberty Nat'l. Life Ins. (Farley) (Bouldin)
Foundation Life Ins. (Hatch)
Home Ins. (Hatch)
Standard Life Ins. (Seal)
Appalachian National Life Ins. (Shook)
Protective Life Ins. (Caviness) (McGowin) (Vogtle) (Hand) (Rushton)
4. Other Utilities and Utility Related:
National Assn. of Elec. Cos. (Bouldin)
Edison Elec. Institute (Vogtle) (Bouldin)
Thomas Alva Edison Foun. (Bouldin)
Anderson Elec. (Crist)
Southern Bell Tel & Tel (Smith)
Dayton Power & Light (Smith)
Edison Elec. Institute (Vogtle)
5. Transportation:
Georgia Southern and Florida RR (Anderson)
Alabama Great Southern RR (Bouldin) (Farley)
Lockheed Aircraft (Carmichael)
Seaboard Coast Line RR (Hatch)
Seaboard Coast Line Industries (Hatch)
Atlanta and St. Andrews Bay RR (Nelson)
Gulf Mobile and Ohio RR (Rushton)
Eastern Airlines (Smith)
Louisville and Nashville RR (Vogtle)
6. Educational:
Tuskegee Institute (Bouldin)
Alabama Academy of Science (Bouldin)
Univ. of Alabama (Bouldin)
Emory Univ. (Carmichael) (Smith)
7. Media:
Knight Newspapers (Anderson)
Macon Telegraph Pub. (Anderson)
Southeastern Newspapers (Morris)
8. Business: Alabama State Chamber of Commerce (Bouldin)
9. Research: Southern Research Institute (Bouldin) (Farley) (Rushton)
10. Health:
Alabama Mental Health Bd. (Moody)
Druid City Hosp. (Moody)
Children's Hospital (Shook)
11. Cultural: Birmingham Symphony Assn. (Bouldin)
12. Miscellaneous:
Genuine Parts (Craft)
Warrior-Tombigbee Devel. Assn. (Bouldin)
Coosa Alabama Improvement Assn. (Bouldin)
Amer. Ordinance Assn. (Bouldin)
General Motors (Branch)
Harps International (Cabiness)
Scripto (Carmichael)
Alabama Property (Farley)
Knox Devel. (Farley)
Harmony Grove Mills (Hardman)
Bibb Mfg. (Hardman) (Lane)
Canton Ga. Cotton Mills (Jones)
Jones Mercantile Co. (Jones)
Jones, Bird & Howell (Jones)
Citizens and Southern Holding (Lane)
Stone Mountain Grit (Lane)
Davison Mineral Properties (Lane)
Auto Soler (Lane)
Winn Dixie Stores (Lane)
Magic Chief (Lane)
Southern Pine Inspection (McGowin)
Union Camp (McGowin)
Geneva Cotton Mills (Morris)
Shook Fletcher Supply (Shook)
Birmingham Realty (Shook)
Kroger (Smith)
Moultrie Textiles (Vereen)
Riverside Mfg. (Vereen)
Riverside Industries (Vereen)
Bama Uniform Rentals (Vereen)
Riverside Uniform Rentals (Vereen)
Mississippi Business & Industrial Devel. (Watson)
Nelson Buick (Nelson)
U.S. Steel (Branch)
Mobile Steel (Plummer)
Jones and Laughlin (Plummer)

Mr. METCALF. Mr. President, so the whole proposition is, it is admitted we do not lack for sponsors to create housing. We will not increase the amounts of money to be contributed and spent by enactment of the bill. The only object is to get the multistate corporations involved in housing and to amend the Holding Company Act and to say, "Well, this is a way to get better management."

Mr. President, this is not an environmental bill. It will not provide more power. Probably it will develop less power. It will not necessarily provide more housing, either, because, as I say, there are an adequate number of sponsors applying who can provide this housing already without modifying the Holding Company Act for 17 special corporations.

So I agree with the sponsors of this legislation that the housing situation in America is a disgrace. It is a national scandal. But this bill is not going to alleviate it. This will just change the Holding Company Act so that special utilities can make a special profit at the expense of the public.

Mr. President, I reserve the remainder of my time.

Mr. HART. Mr. President, as the Senator from Montana (Mr. METCALF) has indicated, in earlier discussion, I believe all the points were covered. I am prepared to yield back my time.

Mr. GRIFFIN. Mr. President, I yield back whatever time remains to me.

The PRESIDING OFFICER (Mr. HUGHES). All time has now 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 legislative clerk called the roll.

Mr. METCALF (when his name was called). On this vote I have a pair with the Senator from Washington (Mr. MAGNUSON). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Nevada (Mr. CANNON), the Senator from Louisiana (Mr. ELLENDER), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Georgia (Mr. GAMBRELL), the Senator from Alaska (Mr. GRAVEL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Washington (Mr. MAGNUSON), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Rhode Island (Mr. PELL), the Senator from Alabama (Mr. SPARKMAN), the Senator from California (Mr. TUNNEY), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from North Carolina (Mr. JORDON) is absent on official business.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. ELLENDER), and the Senator from Georgia (Mr. GAMBRELL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Kentucky (Mr. COOPER), the Senator from New Hampshire (Mr. COTTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. MILLER), the Senator from Illinois (Mr. PERCY), the Senator from Pennsylvania (Mr. SCOTT), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

If present and voting, the Senator from Pennsylvania (Mr. SCOTT) would vote "yea."

The result was announced—yeas 60, nays 11, as follows:

[No. 295 Leg.]

YEAS—60

Aiken	Dominick	Proxmire
Allen	Eagleton	Randolph
Allott	Eastland	Ribicoff
Bayh	Fannin	Roth
Beall	Fong	Saxbe
Bellmon	Griffin	Schweiker
Bennett	Gurney	Smith
Bentsen	Hansen	Spong
Bible	Hart	Stafford
Boggs	Hollings	Stennis
Brooke	Inouye	Stevens
Buckley	Jackson	Stevenson
Burdick	Jordan, Idaho	Symington
Byrd, Harry F., Jr.	Kennedy	Talmadge
	Mathias	Thurmond
Byrd, Robert C.	McClellan	Tower
Case	McGee	Weicker
Church	Moss	Williams
Cook	Packwood	Young
Curtis	Pastore	
Dole	Pearson	

NAYS—11

Brock	Hartke	McIntyre
Chiles	Hughes	Mondale
Cranston	Humphrey	Nelson
Ervin	Mansfield	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Metcalf, against.

NOT VOTING—28

Anderson	Harris	Mundt
Baker	Hatfield	Muskie
Cannon	Hruska	Pell
Cooper	Javits	Percy
Cotton	Jordan, N.C.	Scott
Ellender	Long	Sparkman
Fulbright	Magnuson	Taft
Gambrell	McGovern	Tunney
Goldwater	Miller	
Gravel	Montoya	

So the bill (S. 1991) was passed, as follows:

S. 1991

An act to assist in meeting national housing goals by authorizing the Securities and Exchange Commission to permit companies subject to the Public Utility Holding Company Act of 1935 to provide housing for persons of low and moderate income

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That section 9(c) of the Public Utility Holding Company Act of 1935 (15 U.S.C. 791(c)) is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof a new paragraph as follows:

"(4) (A) securities of a subsidiary company engaged solely in the business of constructing, owning and operating residential housing projects for persons of low and moderate income within the service area of the holding-company system under housing programs authorized by the National Housing Act or any Act supplementary thereto, or (B) securities of or interests in a company organized to participate in such housing programs within the service area of a holding-company system which receives financial or other assistance from a company created or organized pursuant to title IX of the Housing and Urban Development Act of 1968: *Provided,* that no such acquisitions shall be approved except upon the following terms and conditions which the Secretary of the Department of Housing and Urban Development and the Commission or any successor agency are authorized and directed to impose prior to granting regulatory approval or financial or other assistance:

(i) full original ownership of each housing project shall be retained for at least twenty years from the date of first tenant occupancy, provided that transfer prior to twenty years may be made if determined to be in the public interest by the Secretary of the Department of Housing and Urban Development and upon a showing to the Commission by such company of serious financial harm threatening the ability of the holding-company system to render satisfactory utility service;

(ii) residential housing construction, ownership and operation shall be financially separated so that they do not affect the holding-company system's utility operations;

(iii) the heating and/or cooling system selected shall be that system which is most economical, considering all relevant factors;

(iv) upon its organization each such company shall afford the opportunity to have its board of directors at least one interim director selected by a local tenant association or group and following tenant occupancy, this director shall be replaced by a director selected, under the supervision of the Department of Housing and Urban Development, by the tenants of the housing project or projects owned and operated by such company;

(v) each such company shall assure that adequate housing opportunities are made available for the elderly in projects owned or operated by such company;

(vi) each such company shall be subject to applicable State regulations promulgated by the appropriate State agency which regulates housing; and

(vii) the holding-company system's investment in equity securities or other interests in such companies shall not exceed $2,000,000 per two-year period.

No such acquisitions shall be made except within such *additional* limitations and upon such additional terms and conditions and with due regard to other provisions of this title, as the Commission may, by rules, and regulations or order, permit as not detrimental to the public interest or the interest of investors or consumers. The authority granted under this paragraph shall terminate ten years from the date of its enactment, provided that the authority of the Commission, the Department of Housing and Urban Development and the terms of this paragraph shall remain in full force and effect with respect to all residential housing projects whose construction commenced prior to ten years after the enactment of this Act.

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 a bill (H.R. 15580) to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 15580) to amend the District of Columbia Police and Firemen's Salary Act of 1958 to increase salaries, and for other purposes, was read twice by its title and referred to the Committee on the District of Columbia.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting a nomination, was communicated to the Senate by Mr. Leonard, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. ALLEN) laid before the Senate a message from the President of the United States submitting the nomination of Christopher M. Mould, of the District of Columbia, to be an Associate Director of ACTION, which was referred to the Committee on Labor and Public Welfare.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, JULY 24, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next immediately after the two leaders have been recognized 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 three minutes.

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

UNANIMOUS-CONSENT AGREEMENT ON CONSIDERATION OF THE MILITARY PROCUREMENT AND FOREIGN ASSISTANCE BILLS

Mr. ROBERT C. BYRD. Mr. President, I have been authorized by the distinguished majority leader to propound the following unanimous-consent request, and this is with the approval, authorization, and concurrence of the distinguished Republican leader. The request has also been concurred in by the distinguished assistant Republican leader, and by all Senators who are principal parties to the subject matter which will be involved.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. Mr. President, if we may have quiet and order so that we can hear what the Senator is going to say we can save a lot of time. This is an important matter.

Mr. ROBERT C. BYRD. I thank the Senator for his observation. I will await the Chair's securing order.

The PRESIDING OFFICER. The Senate will be in order, please. The Senator from West Virginia may proceed.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday the Chair lay before the Senate H.R. 15495, the so-called military procurement bill, and that debate on that bill continue until not later than 1 p.m. on Monday; that at no later than 1 p.m. the distinguished majority leader or his designee be authorized to call up the unfinished business, S. 3390, the Foreign Assistance Act; that time on amendment No. 1334 by Mr. MANSFIELD be limited to 1 hour, and that it immediately begin running; that upon the disposition of the amendment No. 1334 by Mr. MANSFIELD the Senate proceed to the consideration of the amendment by Mr. CANNON, No. 1232, as modified and as amended, if amended, the time on the amendment by Mr. CANNON to be limited to 30 minutes; that upon the disposition of amendment No. 1232, by Mr. CANNON, as modified and as amended, if amended, the Senate proceed to the consideration of amendment No. 1325 by the distinguished senior Senator from Kentucky (Mr. COOPER); that time on the Cooper amendment be limited to 1 hour; that, upon the disposition of Amendment No. 1325 by Mr. COOPER, the Senate proceed to the consideration of an amendment to be proposed by the very distinguished Senator from Mississippi (Mr. STENNIS), on which there be a 3-hour time limitation; that time on any other amendment be limited to 1 hour; that time on any amendment to an amendment or amendment in the second degree, debatable motion, or appeal be limited to 30 minutes; that time on the bill be limited to 1 hour; ordered that a vote occur on the bill at no later than 9 p.m. on Monday; provided further that rule XII be waived; that no nongermane amendment be in order; and, with respect to the division of time, provided, that time on the amendment by Mr. MANSFIELD to the amendment by Mr. CANNON be equally divided and controlled between the distinguished majority leader and the distinguished Senator from Nevada (Mr. CANNON); that time on the amendment by Mr. CANNON, as modified and amended, if amended, be equally divided and controlled between the mover of the amendment (Mr. CANNON) and the majority leader (Mr. MANSFIELD); that time on the amendment by Mr. COOPER be equally divided between and controlled by the distinguished majority leader and the distinguished senior Senator from Kentucky (Mr. COOPER); that time on the amendment by the distinguished Senator from Mississippi (Mr. STENNIS) be equally divided between and controlled by the distinguished mover of the amendment (Mr. STENNIS) and the distinguished majority leader; that time on the bill be divided equally between the distinguished Senator from Alabama (Mr.

SPARKMAN) and the distinguished Senator from Vermont (Mr. AIKEN); that time on any other amendment, debatable motion, or appeal be divided equally between the mover of such and the majority leader or his designee; provided, finally, that all tabling rights be reserved.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object—and I do not intend to object—I would like to indicate that this request has been checked with the distinguished ranking Republican member of the Armed Service Committee (Mrs. SMITH), and it is her expectation, let me say, that opening statements on the defense authorization bill will be made during that period of time, and that, again in expectation, there will probably be no votes, at least of any major consequence, on Monday.

I am also glad that at the end of the request it was made clear that tabling rights are reserved under the unanimous-consent request.

Mr. ROBERT C. BYRD. Yes.

Mr. GRIFFIN. The request has also been cleared with the distinguished ranking Republican member of the Foreign Relations Committee, the Senator from Vermont (Mr. AIKEN), and, insofar as I know, there is no objection on this side.

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

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

Mr. ROBERT C. BYRD. I yield.

Mr. MANSFIELD. There was a request for the distinguished senior Senator from Kentucky (Mr. COOPER) to be on the floor when this request was made, but I am prepared to undertake the responsibility to speak for him, because I believe it fits in with the pattern he had in mind, and I believe he would be agreeable to the proposal. I have no doubt that is correct.

Mr. STENNIS. Mr. President, reserving the right to object—and I do not expect to object—I just want to be certain. As I understand, the Senator has enumerated these amendments by name, beginning with—I am talking about the Foreign Assistance Act now—the Mansfield amendment, the Cannon amendment, the Cooper amendment, and the amendment I have at the desk. This agreement, if perfected, would mean they would be taken in that order?

Mr. ROBERT C. BYRD. Precisely.

Mr. STENNIS. What is the situation about a motion to table, if I may inquire?

Mr. ROBERT C. BYRD. Motions to table would be in order.

Mr. STENNIS. But that would be only after the expiration of the allotted time or the yielding back of time?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. STENNIS. One more question, if I may.

Then, on Tuesday morning next, the first track of the program for the Senate would then go back to H.R. 15495. The bill we will be debating then would become the first track?

Mr. ROBERT C. BYRD. The Senator is correct. That will be included in the request.

Mr. President, if I may add to the consent request, provided that the unfinished business, the Foreign Assistance Act, when it is temporarily laid aside on Monday next, remain in a temporarily laid aside status until such time as the distinguished majority leader or his designee calls up the Foreign Assistance Act, and this, under the order, to be no later than 1 o'clock p.m.

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

Mr. ROBERT C. BYRD. Mr. President, I further ask unanimous consent that at the close of business on Monday, the Senate return to the consideration of the military procurement bill, H.R. 15495, and that it be made the unfinished business and the first track item on Tuesday and the days following until that bill is disposed of.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The text of the unanimous-consent agreement is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Monday, July 24, 1972, at no later than 1 p.m. the Senate proceed to the consideration of the unfinished business, S. 3390, a bill to amend the Foreign Assistance Act of 1961, with debate on the pending amendment No. 1334, by the Senator from Montana, Mr. Mansfield, limited to 1 hour, to be equally divided and controlled by the Senator from Montana, Mr. Mansfield, and the Senator from Nevada, Mr. Cannon; to be followed by amendment No. 1232 by the Senator from Nevada, Mr. Cannon, limited to 30 minutes of debate, to be equally divided and controlled by the Senator from Nevada, Mr. Cannon, and the Senator from Montana, Mr. Mansfield. It will be followed by amendment No. 1325, by the Senator from Kentucky, Mr. Cooper, with debate limited to 1 hour, to be equally divided and controlled by the Senator from Kentucky, Mr. Cooper, and the Senator from Montana, Mr. Mansfield. The Senate will then consider an amendment to be proposed by the Senator from Mississippi, Mr. Stennis, limited to 3 hours of debate, to be equally divided and controlled by the Senator from Mississippi, Mr. Stennis, and the Senator from Montana, Mr. Mansfield:

Provided, That time on any other amendment in the first degree be limited to 1 hour, to be equally divided and controlled by the mover of the amendment and the majority leader or his designee, and the time on any amendment to an amendment or an amendment in the second degree, or debatable motion or appeal be limited to 30 minutes, to be equally divided and controlled by the mover of the amendment and the majority leader or his designee:

Provided further, That time on the bill be limited to 1 hour, to be equally divided and controlled by the Senator from Alabama, Mr. Sparkman, and the Senator from Vermont, Mr. Aiken.

Ordered further, That a vote occur on final passage of the bill no later than 9 p.m. on Monday, July 24, 1972.

Ordered further, That no amendment not germane shall be received and that all rights to table any proposition shall be preserved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 1682) to provide for deferment of construction charges payable by Westlands Water District attributable to lands of the Naval Air Station, Lemoore, Calif., included in said district, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ECONOMIC COMMITTEE COMMISSIONS STUDY OF 2.6 PERCENT UNEMPLOYMENT

Mr. PROXMIRE. Mr. President, 26 years ago the United States made a commitment "to promote maximum employment" and to create economic condiitons under which there would be jobs for all those "able, willing, and seeking to work."

The Joint Economic Committee and the Council of Economic Advisers and the President's Economic Report were all designed for that purpose. That was why we had the Full Employment Act of 1946.

That was the promise and the commitment of the Employment Act of 1946. It is still our responsibility and duty to fulfill that promise.

While the performance of the economy under the act has been far better than before, significantly so in the fact that the country did not suffer from a depression after World War II, we still have a long way to go to satisfy the goals of the act.

Unemployment in June was 5.5 percent. It has hovered at the 6-percent level for the last year and a half. When part-time workers and discouraged workers are included in the figures, about 8 percent of the labor force is unemployed.

We have also done worse than a number of other industrialized countries.

This is a dramatic demonstration of how far we have fallen below what we should be doing in providing jobs.

Measured on the same basis as our monthly BLS figures, the unemployment rate in 1971 for Australia was 1.6 percent, for Japan it was 1.3 percent, and for Western Germany it was 0.7, or less than 1 percent. With unemployment at 5 to 6 percent, West Germany would probably have a revolution.

The rates in Sweden and France were only somewhat higher; namely, 2.6 and 2.7 percent respectively.

I am, therefore, announcing today that the Joint Economic Committee is beginning an investigation to determine whether unemployment can be reduced to 2 percent, and what the economic consequences of that action would be—especially the effects on government revenues, on income distribution, on poverty, and on welfare. The possible inflationary dangers will also be examined.

The study is being conducted by Data Resources, Inc. The first results of the study will be available in September. This study will be a preliminary one. We hope to follow up with others.

Somehow we have come to talk about a 4-percent unemployment rate as if it meant full empoyment. We have forgotten that a 4-percent unemployment rate means 3½ million persons out of work, plus possibly 2 million on involuntary part-time and 600,000 discouraged work-

ers who have given up hope of finding work.

Some unemployment is inevitable. In a free society, people must be free to enter and to leave the labor force or to leave one job in search of another, better job. But 3½ million out of work is far too many.

For several years the Joint Economic Committee has held the position that the unemployment rate should be no higher than 3 percent. But 3-percent unemployment still means over 2½ million out of work. Now we want to study whether even lower levels of unemployment are not both practical and desirable.

Many will argue that such low unemployment rates would mean virulent inflation. I believe that in a genuinely full employment economy, in which nobody had to be afraid of losing his job, important structural reforms would become possible. Import controls could be relaxed, racial and sex discrimination in hiring would break down, new workers would get the on-the-job training they need. These changes would go far to control inflation. Furthermore, the benefits of really full employment may be so great as to justify the temporary use of strict price and wage controls.

We have them anyway, and if we could use them in order to achieve this objective, the benefits would be so great that the country would stand still even for rationing. At any rate, this is one of the fundamental questions our study will examine.

There are a multitude of benefits we could expect from getting unemployment down to 2 percent:

First, the most obvious and the most fundamental benefit would be that all who wish to work could find a job. Long-term unemployment would be virtually eliminated. No job seeker would feel rejected by our work-oriented society.

Second, opportunities to learn new skills and move up to better jobs would be vastly increased. In a labor-scarce economy, employers would have to provide effective on-the-job training. This is the best kind of training.

Third, the distribution of earned income would improve. The last time there was a major improvement in income distribution in the United States was during World War II, which was also our last extended period of truly full employment.

Fourth, our invaluable labor resources could be put to work producing the things we need so badly—decent housing, improved medical care, pollution control equipment, new recreation facilities.

Fifth, with fear of job loss virtually removed from our society, major structural reforms leading to dramatic productivity improvements would become possible. Skills could be upgraded, import barriers could be removed, and the composition of production could shift toward those things we produce most efficiently.

Finally, the Federal budget would be in a far stronger position. With unemployment at 2 percent, annual receipts might be some $50 to $60 billion higher than at present and $25 to $30 billion higher than at the 4-percent unemployment level which at present is used to calculate what is euphemistically identified as the "full employment" budget. A 2-percent unemployment rate may well present an alternative to the tax increases which may otherwise loom in the near future.

A 2-percent unemployment rate could also have adverse consequences. Those adverse consequences have been sufficient to make this proposal considered impracticable in the past. Despite structural improvements, inflation might be difficult to control. It may be that 2-percent unemployment is too low, in the sense it makes too little allowance for the voluntary changing of jobs which we need in a free society. All these questions need examining.

Too many people appear satisfied with the prospect of letting the unemployment rate settle down between 4 and 5 percent. People just have not thought enough about the benefits of lower unemployment. We hope to stimulate this thinking.

This country has been bitterly divided over the welfare problem. It seems highly unlikely that a welfare program—either a Nixon or a McGovern welfare program can win enactment into law. A very large proportion of our people—probably a majority are very much opposed to payments to Americans that are not directly related to need—that is they may accept relief or welfare payments based on a means test. But many Americans and many Members of Congress are deeply disturbed by proposals that would give hundreds of dollars a year to all persons or to all poor persons.

This is a grievous and nagging economic problem. The situation is greatly aggravated by heavy unemployment. First the cost of any income maintenance program to the taxpayer is much greater and I mean many times greater with unemployment of 6 percent for instance than with unemployment of 2 percent. Second, with heavy unemployment many of those who would receive large Federal grants would be able abodied—fully capable of working—but simply unable to find employment. Both the taxpayer and recipient understandably resent a situation that hands out hundreds of dollars to able-bodied persons and puts the willing to work in the position of being unwanted, useless leeches. Finally, such a system not only outrages our sense of the work ethic, it does not make any economic sense. There is so much that needs to be done in this country: houses that need to be built, sick who need to be cared for, polluted rivers, lakes, streams soil that need to be cleansed, cities that need to be rebuilt, persons who need to be trained, recreation opportunities that need to be developed—the list could go on and on. There is no reason for this country to run out of work and if we do, there are means available—in shorter work weeks and earlier retirement to share the work. There is no reason why we have to have 5 or 6 percent unemployment, or even 4 percent unemployment.

The one, big prevailing reason why we have accepted the immense personal tragedy of millions of idle Americans who want work unable to find it is because of a conviction that this is the one clear, practical way to hold down inflation. The conviction is almost universal that if we should provide an opportunity for almost all of those who wish to work to do so that the demand for labor in short supply would bid up wages and then prices.

Three or four or five million unemployed has been the price economists and government policymakers have accepted for reasonable price stability. It is a price most Americans have been willing to pay because most Americans have been employed. All the economists who support this theory have been employed. All the government policymakers who make the policy that keeps the theory as a working fact of life in America have been employed.

The millions out of work, by and large, have been inarticulate, poor, unskilled, powerless. They have been required to pay the full cost of fighting inflation. The situation is outrageously unjust. To my mind it is at the heart of our welfare problem and no system Nixon or McGovern approach is going to solve this problem without immense cost unless we first find a way to put most of these millions to work. Other countries have done it; as I have said, we can do it. The purpose of this study is to find out how to do it.

Mr. President, I yield the floor, and 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.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will convene at 10 a.m. After the two leaders have been recognized under the standing order, 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 routine morning business, the Senate will proceed to the consideration of the military procurement bill (H.R. 15495). Opening statements and debate thereon will continue until no later than 1 p.m., at which time the distinguished majority leader or his designee will call up the unfinished business, the Foreign Assistance Act, S. 3390. A time agreement has been entered into with respect to the Foreign Assistance Act which, in general, is as follows:

Immediately upon the resumption of consideration of the Foreign Assistance Act on Monday, the Mansfield amendment will be the pending question. It will be under controlled time, and there is a 1-hour limitation thereon.

Upon the disposition of the amendment by Mr. MANSFIELD, the Senate will proceed to the consideration of the amendment by Mr. CANNON, as modified

and as amended, if amended, with a 30-minute limitation.

Upon the disposition of the amendment by Mr. CANNON, the distinguished senior Senator from Kentucky (Mr. COOPER) will propose an amendment on which there is a 1-hour limitation, upon the disposition of which the distinguished Senator from Mississippi (Mr. STENNIS) will propose an amendment upon which there is a 3-hour limitation.

There is a limitation on any other amendment of 1 hour, and limitation on amendment to amendments, amendments in the second degree, debatable motions, and appeals of a half hour, with respect to each.

The time for debate on the bill itself is 1 hour, and the Senate will complete action on the bill at no later than 9 p.m. Monday—hopefully earlier.

Mr. President, from what I have stated, it is evident that there will be at least five yea-and-nay votes on Monday, and of course there could be several more, because amendments to amendments, amendments in the second degree, motions, and appeals will be in order. So, as I have said, there will be at least five yea-and-nay votes. The first one, I would say, would occur somewhere between 1 and 2 p.m.

The distinguished majority leader could wait until 1 p.m. to call up the unfinished business; and if the 1 hour of time on the Mansfield amendment should be fully consumed, the first vote would occur at 2 p.m. But time on the Mansfield amendment could be yielded back, and of course the majority leader may wish to call up the unfinished business a little ahead of 1 p.m. So, I think it is safe to predict that the first rollcall vote will occur some time between 1 and 2 p.m., with the greater likelihood that it will occur more nearly around 1:30 to 2 p.m. on Monday.

Does the distinguished assistant Republican leader have any comment at this time?

Mr. GRIFFIN. No.

Mr. ROBERT C. BYRD. Mr. President, a final postscript. The military procurement will be the unfinished business and a main track item on Tuesday and subsequent days, until it is disposed of.

Various second track items will be cranked into the program structure as necessary and as decided upon by the leadership.

Mr. GRIFFIN. Mr. President, will the distinguished majority whip yield?

Mr. ROBERT C. BYRD. I yield.

Mr. GRIFFIN. On Tuesday, as I understand it, the defense authorization bill will be the track one item.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. GRIFFIN. Can the Senator give us any information now as to what could be the track two items, beginning Tuesday?

Mr. ROBERT C. BYRD. I thank the assistant Republican leader for this question, because it reminded me that I had forgotten to propose a unanimous-consent request on another bill which could very well be the second track item on Tuesday. That would be S. 5, a bill to promote the public welfare.

There is a time limitation which I would propose thereon, and it is as follows, the proposal having been cleared with the distinguished Senator from Minnesota (Mr. MONDALE), the distinguished Senator from Wisconsin (Mr. PROXMIRE), the distinguished Senator from New York (Mr. JAVITS), and others.

I ask unanimous consent that there be a 1-hour limitation on S. 5, to be equally divided between the distinguished Senator from Minnesota (Mr. MONDALE) and the distinguished Senator from New York (Mr. JAVITS); that time on any amendment thereto be divided between the mover of such and the distinguished Senator from Minnesota (Mr. MONDALE). That time on any amendment to an amendment, debatable motion, or appeal be limited to 30 minutes, to be divided between the mover of such and the distinguished manager of the bill (Mr. MONDALE).

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall have to object, at least for the time being—the Senator from Colorado (Mr. DOMINICK) and the Senator from Ohio (Mr. TAFT) have an interest in this bill, I am advised; and, unfortunately, I have not had an opportunity to talk with them.

The PRESIDING OFFICER. The Senator from West Virginia did not specify a time limitation on the amendments themselves in the unanimous-consent request. Did he intend to do so?

Mr. ROBERT C. BYRD. I thank the Chair. I meant to stipulate 1 hour on any amendment and 30 minutes on any amendment to an amendment. But I withdraw the request, because I think the distinguished Senator from Michigan (Mr. GRIFFIN) certainly has good reason to object for the time being. I should have cleared this with him in advance. I had forgotten it, inadvertently, and upon his making reference to a second track item, I sought to propose it without requesting a quorum call and discussing it with him. So I withdraw it.

On Monday, in all likelihood, an agreement can be reached, hopefully, on that measure, and that could then be a second track item for Tuesday.

On Wednesday, I would hope that the Senate could proceed to the maritime bill as a second track item; and I say this after having discussed that bill with the distinguished Senator from New Hampshire (Mr. COTTON), the distinguished Senator from Washington (Mr. MAGNUSON), the distinguished Senator from Louisiana (Mr. LONG), and other Senators.

That is as far ahead as I can safely venture. I should say, however, that the agriculture appropriation bill will also be ready for floor action by Thursday of next week, and at some point it could be brought in as a second track item—hopefully Thursday or Friday.

Mr. GRIFFIN. I thank the distinguished Senator.

Mr. ROBERT C. BYRD. I thank the distinguished assistant Republican leader.

ADJOURNMENT UNTIL 10 A.M. MONDAY, JULY 24, 1972

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. on Monday next.

The motion was agreed to; and at 1:57 p.m., the Senate adjourned until Monday, July 24, 1972, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate, July 21, 1972:

ACTION

Christopher M. Mould, of the District of Columbia, to be an Associate Director of ACTION (new position).

CONFIRMATIONS

Executive nominations confirmed by the Senate July 21, 1972:

U.S. DISTRICT COURTS

Robert L. Carter, of New York, to be a U.S. district judge for the Southern District of New York.

DEPARTMENT OF STATE

Walter J. Stoessel, Jr., of California, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

EXTENSIONS OF REMARKS

A HAVEN FOR WILDLIFE

HON. J. CALEB BOGGS

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, July 21, 1972

Mr. BOGGS. Mr. President, I was pleased to read an article concerning Sussex County, Del., that appeared recently in "Soil Conservation," the publication of the USDA's Soil Conservation Service. The article, written by James P. Gorman, a watershed planning specialist, discusses the experiences in land conservation of Otis Smith, who has made his land more productive for man and wildlife.

As I believe this article should be of interest to all Members of Congress, I ask unanimous consent that it be printed in the Extensions of Remarks.

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

A HAVEN FOR WILDLIFE

(By James P. Gorman)

Delaware, like most Eastern States, is struggling to conserve its natural resources. Mushrooming land developments, with their usual people and pollution problems, are rapidly spreading south into the peninsula's fertile lowland. Competition for land and its natural resource assets becomes fiercer everyday.

Holding the line against this encroaching megalopolis is the land's number one conservationist, preservationist, ecologist—call him what you will—the farmer or rural land-