executive vice president of the Jewish Community Council of Greater Washington:

SOVIET JEWRY'S BRIDGE 1952–72

Congressman Peyser, Other Members of the Congress, Ladies and Gentlemen: Two decades have passed since Stalin's monstrous act on August 12, 1952, a date which lives in infamy. On that date, in the dark of night, in the subterranean cellars of Moscow's notorious Liubianka prison, the bullets fired by the executioners in the employ of Stalin, extinguished one by one 24 of the leading luminaries in the firmament of Jewish cultural life and artistic creativity in the USSR. Poets, novelists, essayists, actors in the Moscow Yiddish State Theatre, young, middle aged, and old. There beloved medium of expression was the warm, colorful folk-language, the Yiddish language. Their burning desire was to keep alive the flame of the Jewish spirit which Stalin wanted to snuff out, and to contribute to the cultural and artistic creativity of the masses of Jews who had survived the Nazi Holocaust. This was their crime; for this were these 24 gentle giants of the spirit felled by the bullets of the Soviet tyrant.

The epic poet, Peretz Markish; the sensitive novelist, David Bergelson; the distinguished actor, Binyamin Zuskin; the gentle lyricist, David Hofshteyn; the benign writer of poems and stories for children, Leib Kvitko; the proud and powerful poet, Itzik Feffer; Shmuel Persov, Itsik Nusinov, Solomon Lozovsky, Eliahu Spivak, and on and on this catalogue of diabolic death continues. For, the 24 who were murdered on that night in August of 1952 were not the only victims. They were only a part of the Jewish aristocracy of the intellect whom Stalin liquidated. One historian estimates that a total of 431 outstanding Soviet Jewish arists and writers were arrested and exiled to Siberian labor camps during this period: 217 Yiddish writers and poets, 108 Yiddish actors, 87 painters and sculptors, and 19 musicians. Most of them perished in the Soviet labor camps. The first victim in this exalted assembly was Shlomo Mikhoels the great actor of the Yiddish stage, who was brutally beaten to death and then run over by a truck in Minsk, on January 13, 1948; and parts of Peretz Markish's courageous poem on Mikhoels' death will be read later in our program today.

Two decades have passed since the executions of August 12, 1952. But we here mourn and cry out against the death not only of 24, or of 431 precious persons whose lives were brutally taken because they were exponents of Jewish culture. We mourn here today, and protest against, the brutal annihilation of Jewish culture itself in the Soviet Union, by Stalin and his successors.

For across this span of years, across this bridge of years, we have witnessed a forced march of death of the culture of a people. Across this bridge of years, from Stalin's first days to this very day, driven by the whips of the Soviet Secret Police; by the terror of arrests, phony trials and imprisonment; by the whipped up hysteria in the Soviet press; by government approved antisemitic books like Kichko's notorious "Judaism without embellishment"; by official threats and intimidations—driven, I say, by these diabolically calculated methods—a forced march to death has taken place.

Across this bridge of time the Soviet regime has driven to death and annihilation all but the remaining miserable 58 Synagogues in the USSR; all Jewish schools—in Yiddish, Hebrew, or Russian; all Jewish newspapers; all Jewish libraries; all Jewish publications except for a small monthly; all Jewish theatres; all Jewish community institutions; all production of Jewish ritual objects; all printing of the Hebrew Bible; all printing of the Hebrew Prayer Book (except for 10,000 in 1968). No other religious or nationality group in the Soviet Union has been subjected to this systematic cultural destruction. So far as one could discern, this Soviet policy and practice left three million Soviet Jews spiritually and culturally desolate; bereft of poets, writers, teachers, leaders, artists, Rabbis;—three million Jews silenced after nearly four decades without any Jewish education, victims of enforced assimilation, and on their way to oblivion as a people.

This was Stalin's plan, and his successors continued its execution. No de-Stalinization in Soviet Jewish policy followed Stalin's death. It appeared that the forced march of death for Soviet Jewry was irreversible, and that in this Stalin would succeed even after his death.

But they were mistaken. They did not count on the deathless, indomitable Jewish spirit that continued glowing under the surface, and erupted into a flame of freedom in the past three years. Secretly, at serious peril to their safety, Jews continued to study Hebrew and Yiddish; to circulate secretly reprinted Jewish books; to listen to broadcasts about Jewish life in the freedom of Israel and the United States; and to nurture the hope of liberation that would enable them to join their fellow Jews in the Holy Land.

And then it all broke out into the open. We here protested, and Soviet Jews acted publicly. They began to demand their right to emigrate to Israel where they could live freely as Jews. They applied for exit permits. Thy sat in in the offices of Soviet totalitarian officialdom. They wrote letters and manifestos of freedom and sent them out to the free world. The Soviet regime responded in a cruel but puzzled fashion. They tried to suppress this Jewish Liberation movement. In 1970 they began a series of phony trials of activist leaders among the Jews seeking liberation, and over 40 of them are languishing in Soviet prisons today. Vladimir Markma of Sverdlovsk, who was sentenced to 3 years in prison on trumped up charges only last week, is the latest among these victims whose sole crime is their desire to emigrate to Israel.

But this freedom movement of the Soviet Jews cannot be stifled. In spite of terror and intimidation, close to 100,000 Soviet Jews have applied for exit permits, at great peril to themselves and their families. The Soviet government has had to relax its closed door policy and permits a limited number of Jews to leave for Israel, in response to Soviet Jewish activism, and in response to our protests. And so, the march across the bridge of time has not turned out to be what Stalin wanted, namely, an irreversible march of death. The direction of this march *has* been reversed. And across this bridge of years there has appeared a new march, a march of renaissance, of revival; a reaffirmation by Soviet Jews of their Jewishness, and an increasingly clamoring insistence before the conscience of the world that they want to live as Jews, and that toward this end they want the right to emigrate to Israel, a right guaranteed by civilized law and international covenents.

Their struggle goes on. More and more are joining the march back to Jewish existence, even though the penalties imposed upon them by the Soviet regime are grave and often unendurable, from prison sentences, to continuous harassment, to loss of jobs and a life near destitution. This is what the widow and son of the poet Peretz Markish are enduring now, and the Soviets will not let them go.

We here, today, meeting in the sacred memory of Peretz Markish and the others who were executed in the Lubianka prison on August 12, 1952, we will continue to protest, to appeal to the conscience of the world, and we will continue to demand of the Soviet Union: free the prisoners, remove the obstacles, stop the terror and punishments, let Soviet Jews go to their freedom, and we will do this until every Soviet Jew who wishes to do so, is free to be reunited with his fellow Jews, to live freely, as a free member of the Jewish people.

SENATE—*Friday, August 18, 1972*

The Senate met at 10 a.m. and was called to order by Hon. JOHN V. TUNNEY, a Senator from the State of California.

PRAYER

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

O God of this day and of all history, come to us in this quiet of the morning hour with a fresh awareness of Thy presence. Guide us through the duties of this day with joyous hearts and confident spirits. Be ever amongst us as the unseen reality to guide, strengthen, and uplift all who serve in this place. Be with us when we separate. Give journeying mercies to all who travel. Out of the coming contests forge a new and better nation where the things that are unseen and eternal transcend the things which are seen and temporal. Lead us in paths of righteousness for Thy name's sake and bring us at last to the haven of Thy peace.

We pray in that name which is above every name. 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. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., August 18, 1972.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN V. TUNNEY, a Senator from the State of California, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, August 17, 1972, be dispensed with.

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go

into executive session to consider nominations on the Executive Calendar.

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

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

DISTRICT OF COLUMBIA COURT OF APPEALS

The second assistant legislative clerk read the nomination of Stanley S. Harris, of Maryland, to be Associate Judge of the District of Columbia Court of Appeals.

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

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

The second assistant legislative clerk read the nomination of H. Carl Moultrie, of the District of Columbia, to be an Associate Judge, Superior Court of the District of Columbia.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the calendar, beginning with Calendar No. 1001.

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

MARY DANOS NAYAK

The bill (S. 2816) for the relief of Mary Danos Nayak, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 301(a)(7) of the Immigration and Nationality Act, Mary Danos Nayak shall be held and considered to have been physically present in the United States prior to May 10, 1971, for a period of ten years, five of which were after attaining the age of fourteen years.

REYNALDO CANLAS BAECHER

The bill (S. 3835) for the relief of Reynaldo Canlas Baecher, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 203(a)(1) and 204 of the Immigration and Nationality Act, Reynaldo Canlas Baecher shall be held and considered to be the natural-born alien son of Donald Leslie Baecher, a citizen of the United States. The natural parent, brother, or sister of the said Reynaldo Canlas Baecher, by virtue of such relationship, shall not be accorded any right, privilege, or status under the Immigration and Nationality Act.

ANTONIO BENAVIDES

The bill (H.R. 2394) for the relief of Antonio Benavides, was considered, ordered to a third reading, read the third time, and passed.

MRS. CONCEPCION GARCIA BALAURO

The bill (H.R. 2703) for the relief of Mrs. Concepcion Garcia Balauro, was considered, ordered to a third reading, read the third time, and passed.

MARIA ROSA MARTINS

The bill (H.R. 5158) for the relief of Maria Rosa Martins, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF UNITED STATES CODE WITH RESPECT TO FINALITY OF SETTLEMENTS

The bill (H.R. 5814) to amend section 2735 of title 10, United States Code, to provide for the finality of settlement effected under sections 2733, 2734, 2734a, 2734b, or 2737, was considered, ordered to a third reading, read the third time, and passed.

KYONG OK GOODWIN (NEE WON)

The bill (H.R. 9256) for the relief of Kyong Ok Goodwin (nee Won) was considered, ordered to a third reading, read the third time, and passed.

WILMA BUSTO KOCH

The bill (H.R. 10713) for the relief of Wilma Busto Koch was considered, ordered to a third reading, read the third time, and passed.

GERALD VINCENT BULL

The Senate proceeded to consider the bill (S. 3583) for the relief of Gerald Vincent Bull which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purpose of the immigration and Nationality Act, the periods of time Gerald Vincent Bull has resided in the United States shall be held and considered to meet the residence and physical presence requirements of section 316 of the said act.

The amendment was agreed to.

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

NAOYO CAMPBELL

The Senate proceeded to consider the bill (S. 173) for the relief of Naoyo Campbell which had been reported from the Committee on the Judiciary with an amendment strike out all after the enacting clause and insert:

That, in the administration of the Immigration and Nationality Act, Mrs. Naoyo Campbell, the widow of a citizen of the United States, shall be held and considered to be within the purview of section 201(b) of that Act and the provisions of section 204 of such Act shall not be applicable in this case.

The amendment was agreed to.

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

The title was amended, so as to read: "A bill for the relief of Mrs. Naoyo Campbell."

RENATO M. DIOQUINO

The Senate proceeded to consider the bill (S. 3252) for the relief of Renato M. Dioquino which had been reported from the Committee on the Judiciary with amendments on page 1, line 6, after the word "of", where it appears the first time, strike out "the date of the enactment of this Act" and insert "January 6, 1965,"; and, on page 2, after line 4, insert a new section, as follows:

SEC. 2. The periods of time Renato M. Dioquino has resided in the United States since January 6, 1965, shall be held and considered to meet the residence and physical presence requirements of section 316 of the said Act.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Renato M. Dioquino shall be held and considered to have been lawfully admitted to the United States for permanent residence as of January 6, 1965, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by one number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

SEC. 2. The periods of time Renato M. Dioquino has resided in the United States since January 6, 1965, shall be held and considered to meet the residence and physical presence requirements of section 316 of the said Act.

The amendments were agreed to.

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

PUBLIC HEALTH SERVICE ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 3858) to amend the Public Health

Service Act to improve the program of medical assistance to areas with health manpower shortages, and for other purposes which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Emergency Health Personnel Act Amendments of 1972".

SEC. 2. (a) Section 329(a) of the Public Health Service Act is amended to read as follows:

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary to improve the delivery of health care and services to persons residing in areas which have critical health manpower shortages."

(b) Section 329(b) of such Act is amended to read as follows:

"(b)(1) The Secretary shall (A) designate those areas which he determines have critical health manpower shortages, (B) conduct information programs in such areas as may be necessary to inform the public and private health entities serving those areas of the benefits available under this Act and to encourage their application for such benefits, and (C) assist such entities to apply for the assignment of Corps personnel and other benefits authorized under this Act.

"(2)(A) Upon request of a State or local health agency, or any public or nonprofit private health entity in an area designated by the Secretary under paragraph (1)(A), and upon certification to the Secretary by the State and the district medical societies (or dental societies, or other appropriate health societies as the case may be) for that area, and by the local government for that area, that such health personnel are needed for that area, the Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health care and services for all persons residing in such areas except that where all of the foregoing conditions are met in an area, except certification of need by the State and local medical, dental, or other health societies, and the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, then the Secretary may, after consultation with the appropriate medical, dental, or other health societies, assign such personnel to that area. Corps personnel shall be assigned to such area on the basis of the extent of the need for health services within the area and without regard to the ability of the residents of the area to pay for health services.

"(B) In providing health care and services under this section, Corps personnel shall utilize the facilities and organizational forms adapted to the particular needs of the area and shall make services equally available to all persons in such area regardless of the ability of such person to pay for the care and services provided in connection with—

"(i) direct health care programs carried out by the Service;

"(ii) any direct health care programs carried out in whole or in part with Federal financial assistance; or

"(iii) any other health care activity which is in furtherance of the purposes of this section.

"(C) Any person who receives health care or services provided under this section shall be charged for such care or service at a rate and in a manner (including prepayment, capitation, incentive reimbursement, fee-for-service, or other basis) established by the Secretary, pursuant to regulations, to recover the reasonable cost of providing such care or service; except that if such person is determined under regulations of the Secretary to be unable to pay such charge the Secretary shall provide for the furnishing of such care or service at a reduced rate or without charge. If a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of the care or service provided under this section if such care or service had not been provided under this section, the Secretary shall collect on a capitation, prepayment, incentive reimbursement, fee-for-service, or other basis from such agency or third party the portion of such cost for which it would be so responsible. Any funds collected by the Secretary under this subparagraph shall be deposited in the Treasury as miscellaneous receipts and funds allocated or obligated under this section shall not be dependent on or related to such fees collected in any way.

"(D) Notwithstanding the provisions of the Federal Property and Administrative Services Act (40 U.S.C. 471), the Secretary may transfer the title to any or all facilities, equipment, and supplies, belonging to the Service and being utilized by the Corps in a medically underserved area designated by the Secretary under subsection (a) to any public or private nonprofit institution which the Secretary determines will conform to minimum standards of operation prescribed by him. In a case where the Secretary determines, after a hearing on the record, that such real or personal property is not being utilized in conformance with such minimum standards, title shall revert (after payment of proper compensation for facility improvements, if any) to the United States. This paragraph shall not apply to any hospital or clinical facilities operated by the Service prior to December 31, 1971."

(c) Section 329(c) of such Act is amended by striking out "Service' 'and inserting in lieu thereof "Corps".

(d) Section 329(d) of such Act is amended—

(1) by striking out "Service" in the first sentence and inserting in lieu thereof "Corps", and by inserting before the period at the end of such sentence the following: ", except that if such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make to insure the availability of care or services by Corps personnel in the area, arrange for the utilization of such hospital or facility by Corps personnel in providing care and services in such area, but only if such utilization shall assure the continual provision of care to persons entitled to care and treatment at such facilities at such time.";

(2) by striking out "If there are no such facilities in such area" in the second sentence and inserting in lieu thereof "If there are no health facilities in or serving such area";

(3) by adding after the second sentence the following new sentence: "In providing such care and services, the Secretary may (A) make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of equipment and supplies, and (B) secure the temporary services of nurses and allied health professionals."; and

(4) by inserting "(1)" after "(d)" and by adding at the end the following:

"(2) The Secretary shall conduct at medical and nursing schools and other schools of the health professions and training centers for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(3)(A) For the purpose of recruiting persons for the Corps who have gained experience in the provision of health services at a direct result of specialized military training, the Secretary, in cooperation with the Department of Defense and the Veterans' Administration shall develop a list of persons having such experience.

"(B) In the assignment of personnel to designated health manpower shortage areas, the Secretary shall give priority to persons recruited from the list developed under paragraph (A), with respect to such individuals' desires.".

(e) Section 329(f) of such Act is amended (1) by striking out "Service" in paragraphs (1) and (3) and inserting in lieu thereof "Corps", and (2) by striking out "to select commissioned officers of the Service and other personnel" in paragraph (2) and inserting in lieu thereof "to select personnel of the Corps".

(f) Subsection (g) of section 329 of such Act is redesignated as subsection (k) and the following new subsections are inserted after subsection (f) of such section:

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number of areas designated under subsection (b) in the calendar year preceding the year in which the report is made as having critical health manpower shortages and the number of areas which the Secretary estimates will be so designated in the calendar year in which the report is made;

"(2) the number and types of Corps personnel assigned in such preceding calendar year to areas designated under subsection (b), the number and types of additional Corps personnel which the Secretary estimates will be assigned to such areas in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps; and

"(3) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application."

"(h) Section 5532 of title 5, United States Code, shall not apply to a retired officer of a regular component of a uniformed service who holds a full-time position with the Corps, during the time he holds such position.

"(i) The Secretary may from time to time and for such period as he deems advisable, secure the assistance and advice of experts, scholars, and consultants, including the services of advertising and other public information specialists, to foster, promote, and improve the image of the Corps with regard to the provision of health services and with the further aim of emphasizing recruitment of new and retention of present members of the Corps.

"(j) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip."

(g) Section 329(k) as redesignated by this Act, of such Act is amended by striking out "and" after "1972;" and by striking out the period at the end and inserting in lieu thereof "; $30,000,000 for the fiscal year ending June 30, 1974; $40,000,000 for the fiscal year ending June 30, 1975, sum appropriated under this section shall remain available until expended."

(h) Section 329 of such Act is further amended by adding at the end thereof the following new subsection:

"(l) Where the Corps requires personnel assigned to designated shortage areas to ob-

tain State and local licenses or permits, the Secretary shall pay the fees therefor."

SEC. 3. (a) The Secretary may not close or transfer control of a hospital or other health care delivery facility of the Public Health Service unless—

(1) he transmits to each House of Congress, on the same day and while each House is in session, a detailed explanation (meeting the requirements of subsection (b)) for the proposed closing or transfer, and

(2) a period of ninety calendar days of continuous session of Congress has elapsed after the date on which such explanation is transmitted.

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

(b) Each explanation submitted under subsection (a) for closing or transferring control of a hospital or other health care delivery facility of the Public Health Service shall contain—

(1) (A) assurances that persons entitled to treatment and care at the hospital or other facility proposed to be closed or transferred and persons for whom care and treatment at such hospital or other facility is authorized will, after the proposed closing or transfer, continue to be provided such equivalent care and treatment through such hospital or other facility, or under such new arrangement and (B) a detailed explanation of how such care will be provided to such persons, and an estimate of the cost of providing such care and treatment to such persons after the proposed closing or transfer;

(2) (A) assurances that the capacity to supply health services to the critical manpower shortage areas near the facility will not be impaired by the closing or transfer and (B) a detailed explanation of how persons residing in such areas will be provided such care and treatment after the proposed closing or transfer;

(3) (A) assurances that any teaching program conducted at the hospital or other facility proposed to be closed may be conducted at other appropriate facilities, and (B) a detailed explanation of how such program will be conducted after the proposed closing or transfer; and

(4) the approval of those agencies established under section 314 (a) and (b) of the Public Health Service Act, having jurisdiction in the area in which such hospital or other facility is located, where both such agencies exist or the approval of only one such agency where only one exists in such area.

SEC. 4. Section 741(f) of the Public Health Service Act is amended (1) by striking out "The payments" in paragraph (2) and inserting in lieu thereof "Except as otherwise provided in this paragraph, the payments", and (2) by adding after and below subparagraph (C) the following:

"In the case of any individual who qualified under paragraph (1) for payments on the principal of and interest on a loan and who, as a member of the National Health Service Corps, practices his profession in an area designated under section 329(b), the portion of the principal of and interest on the loans for which payments may be made for and on his behalf under paragraph (1) shall, upon completion of the first year of such practice, be 50 per centum and, upon completion of the second year of such practice, be the remaining 50 per centum."

SEC. 5. Section 218 of the Public Health Service Act is amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 218. (a) The purpose of the Public Health and National Health Service Corps scholarship training program (hereinafter referred to as 'such program') is to obtain trained physicians, dentists, nurses, and other health-related specialists for the National Health Service Corps and the Public Health Service Corps of the Department of Health, Education, and Welfare.

"(b) To be eligible for acceptance and continued participation in such program, each applicant must—

"(1) be accepted for enrollment, or be enrolled as a full-time student in an accredited (as determined by the Secretary) educational institution in the United States, or its territories or possessions;

"(2) pursue an approved course of study, and maintain an acceptable level of academic standing, leading to a degree in medicine, dentistry, or other health related specialty, as determined by the Secretary;

"(3) be eligible for, or hold an appointment as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or be selected in the National Health Service Corps; and

"(4) agree in writing to serve in the Commissioned Corps of the Public Health Service or as a civilian member of the National Health Service Corps following completion of training as provided in subsection (f) of this section, in the National Health Service Corps, the Indian Health Service, the Federal Health Programs Service, and such other programs as the Secretary may designate.

"(c) Each participant in such program will be authorized a stipend for each approved academic year of training, not to exceed four years, in an amount prescribed by the Secretary and payable in monthly installments. The stipend shall not exceed an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O–1 with less than two years of service, plus an amount to cover the reasonable cost of books, supplies, equipment, student medical expenses, and other necessary educational expenses which are not otherwise paid as a part of the basic tuition payment.

"(d) The Secretary may contract with an accredited educational institution for the payment of tuition and other education expenses, not otherwise covered under subsection (c) of this section, for persons participating in such program. If necessary, persons participating in such program may be reimbursed for the actual cost of tuition and other educational expense authorized in this subsection, in lieu of a contract with the educational institution.

"(e) A person participating in such program shall be obligated to serve on active duty as a commissioned officer in the Public Health Service or as a civilian member of the National Health Service Corps following completion of academic training, for a period of time prescribed by the Secretary which will not be less than one year of service on active duty for each academic year of training received under such program. For persons receiving a degree from a school of medicine, osteopathy or dentistry, the commencement of a period of obligated service can be deferred for the period of time required to complete internship and residency training. For persons receiving degrees in other health professions the obligated service period will commence upon completion of their academic training. Periods of internship or residency shall not be creditable in satisfying an active duty service obligation under this section except that if such residency is served in a Public Health Service facility or facility of the National Health Service Corps such residency shall be counted as satisfying the active duty service obligation under this section.

"(f) If, for any reasons, a person fails to complete an active service obligation under this section, he shall be liable for the payment of an amount equal to the cost of tuition, and other education expenses, and salary expenses, paid under this section plus interest at the maximum legal prevailing rate. Any amount which the United States is entitled to recover under this paragraph shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. Until any amount due the United States under this paragraph on account of any grant under this subpart is paid, there shall accrue to the United States interest on such amount at the same rate as that fixed by the Secretary of the Treasury with respect to the grant on account of which such amount is due the United States.

"(g) When a person undergoing training in such program is academically dismissed or voluntarily terminates academic training, he shall be liable for repayment to the Government for an amount equal to the cost of tuition and other educational expenses paid from Federal funds, plus all salary payment which he received under such program.

"(h) The Secretary shall by regulations provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(i) Notwithstanding any other provision of law, persons undergoing academic training under such program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(j) The Secretary of Health, Education, and Welfare shall issue regulations governing the implementation of this section.

"(k) To carry out the purposes of this program, there are authorized to be appropriated $10,800,000 for the fiscal year ending June 30, 1974, and $11,500,000 for the fiscal year ending June 30, 1975."

SEC. 6. Section 2(f) of the Public Health Service Act is amended by inserting after "Puerto Rico," the following: "Guam, American Samoa, and the Trust Territory of the Pacific Islands,".

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Massachusetts (Mr. KENNEDY), I submit a statement on this measure and ask unanimous consent that it be printed in the RECORD.

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

STATEMENT BY SENATOR KENNEDY

Mr. President, the Committee on Labor and Public Welfare, by a vote of 18–0 ordered S. 3858, the Emergency Health Personnel Act Amendments of 1972, reported to the Senate for consideration. This bill is aimed at strengthening our Nation's ability to deal with one of the most difficult and intransigent problems in our health care system, namely, the problem of attracting physicians, dentists, nurses and other health care personnel into rural and inner-city communities across our land.

I doubt that there is a Senator in this body who does not have a rural or inner-city community in his home State that is desperate for health professionals of some kind. During the Health Subcommittee's field hearings a year ago, we heard first hand from

rural communities in West Virginia and Iowa, that have searched for years for a physician willing to offer health care to their people. This story is repeated in thousands of communities across our Nation. Doctor McDonald Rimple, Director of the National Health Service Corps, indicated there are approximately 5,000 communities in the United States without any health services. Indeed, he indicated there are 132 counties where there is no doctor in the entire county, and 225 counties where there is no dentist.

Moreover, Mr. President, it is likely that the situation will get worse before it gets better. The continuing trend toward specialization in medical education and the general trend of our population toward suburban areas result in most young physicians, dentists, and other health professionals practicing in the suburbs or near large urban medical centers. As physicians who have practiced in rural and inner-city areas retire, it is increasingly difficult to replace them.

These trends have created a genuine crisis for many rural and inner-city communities. It is a crisis: when children in these areas grow up with limbs unnecessarily twisted or minds unnecessarily retarded because they did not receive the routine child care that most suburban Americans take for granted; when simple childhood diseases cause unnecessary suffering and complications because routine immunizations were never given, or because parents waited too long to make the long arduous trip to the doctor; and when people are unnecessarily disabled or even die because it simply took too long to get the health care that might have made them whole.

Mr. President, the Senate has responded to these problems by establishing special scholarship and loan forgiveness programs intended to attract health professionals into shortage areas. The Senate will also soon consider legislation aimed at establishing health maintenance organizations, health service organizations, and area health education centers. These new forms of health care delivery also hold promise for making practice in rural and inner-city areas more attractive to health professionals.

However, every expert who has looked at the problem of rural and inner-city areas in America has indicated that these measures are only partial answers. No one has yet come up with the sure answer on how to attract health professionals into these areas. I am personally convinced, that we will not be able to adequately respond to this problem until we have passed a program of national health insurance in this country. Only when equal financing is available to cover health care to all Americans where they live, and only when adequate resources are available to underwrite health care facilities and networks appropriated to every type of community will be able to adequately deal with this problem.

I am also convinced, however, that we currently have an emergency of national health insurance, there will remain parts of our country which cannot attract health professionals. The bill which is before the Senate today is addressed both to this current emergency, and the long-range problem of supplying health care professionals to shortage areas.

Several years ago, the Senator from the State of Washington, Mr. MAGNUSON, introduced the National Health Services Corps Act. That legislation was signed into law on December 31, 1970. Under this authority, the Secretary of HEW to date has designated 144 communities to receive Federal health personnel. The bill which is before the Senate today strengthens this program in order that the Secretary of HEW may move more rapidly to identify and assist all shortage areas in our Nation.

1. The bill incorporates a major new scholarship program introduced originally by Senator STEVENS of Alaska as S. 3867. This program, plus an enhanced loan forgiveness program, and other new authorities are intended to enhance the Secretary's ability to recruit young professionals into the corps. These proivsions are vital, given changes in the military draft, and their impact on recruitment for this program.

The bill requires that the Secretary of HEW take the initiative of designating all areas of the country which require National Health Service Corps assistance and providing such assistance without regard for the ability of the people in the area to pay for these services. This provision is especially important given the slow implementation of this program to date, and the specific priority given by HEW to areas that can pay for services in spite of the lack of any basis in the law for such a priority.

The bill also provides the Secretary authority to override State and local medical, dental and other health professional societies which refuse to certify the need for National Health Service Corps personnel. State and local medical and dental societies have withheld certification to date on over 30 physicians and dentists. It is questionable whether a private, nonelective organization should have absolute veto rights over whether a group of Americans receives the benefit of a Federal program for which they help pay through their taxes.

It is more than questionable, indeed, it is an outrage if such a veto is exercised out of racial prejudice or other arbitrary and capricious reasons. In most cases, professional societies have been an enormous help in implementing the National Health Service Corps. I am pleased, however, that the committee has seen fit to give the Secretary an override authority in order that he can protect the rights of Americans who may be the victims of arbitrary or capricious actions under this program.

Mr. President, this bill also addresses the long perplexing problem of the disposition of Public Health Service hospitals and clinics. For several years, the beneficiaries of these Public Health Service hospitals and the employees have lived under a giant question mark regarding their future. There have been rumors, intercepted memos from HEW to OMB, and plan after DHEW plan. Some have been discussed and reviewed with local communities, while other plans have been kept secret only to leak in rumor and innuendo, and further aggravate the misgivings of everyone concerned with these Public Health Service hospitals and clinics.

Last year the Congress passed a concurrent resolution, S. Con. Res. 6, which insisted that no Public Health Service hospital or clinic be closed or transferred through June 30, 1972, and that any plan for these facilities be reviewed with the Congress. This bill, S. 3858, includes provisions which write these requirements into the law. The bill requires that any plan for closure or transfer of the facility be forwarded to the Congress 90 days before the plan is implemented. It requires that this plan include strong assurances that Federal beneficiaries will be properly cared for, that on-going service and teaching programs in the facility be continued, and that the closure or transfer of the facility will not decrease the capacity of the community to respond to its own health care needs.

In addition, the bill requires that all such plans receive the approval of the State and local health planning agency involved. These agencies have been established and funded by the Department of Health, Education and Welfare to assure that health facilities are used in a way which controls inflation and assures maximum efficiency and economy. The Department of Health, Education and Welfare requires such clearance of hospitals that are reimbursed under medicare; it makes equally good sense for changes in DHEW health care facilities in a community to be subject to similar review. Moreover, this requirement will assure that the Department's planning process takes into consideration the views of the local community.

Mr. President, I believe this is an urgent bill which responds thoughtfully to many of the program requirements in the National Health Service Corps, and the Public Health Service hospital system. It will extend the Health Service Corps for two years, through June 30, 1975. I urge the Senate to pass this measure. Thank you.

The amendment was agreed to.

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

BILLS PASSED OVER

The bills, S. 3716, to amend the Public Health Service Act to provide for continued assistance for health facilities, health manpower, and community mental health centers, and H.R. 14370 to provide payments to localities for high priority expenditures, to encourage the States to supplement their revenue sources, and to authorize Federal collection of State individual income taxes, were announced as next in order.

Mr. MANSFIELD. Mr. President, I ask that these two bills go over.

The ACTING PRESIDENT pro tempore. The two bills will be passed over.

AUTHORIZATION FOR THE COURT OF CLAIMS TO IMPLEMENT ITS JUDGMENTS FOR COMPENSATION

The bill (H.R. 12392) to amend title 28, United States Code, section 1491, to authorize the Court of Claims to implement its judgments for compensation was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF STATUTORY CEILING ON SALARIES OF U.S. MAGISTRATES

The Senate proceeded to consider the bill (H.R. 7375) to amend the statutory ceiling on salaries payable to U.S. magistrates which had been reported from the Committee on the Judiciary with an amendment on page 2, line 2, after "$100", insert "nor more than $15,000".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

METRIC CONVERSION ACT OF 1972

The Senate proceeded to consider the bill (S. 2483) to provide a national program in order to make the international metric system the official and standard system of measurement in the United States and to provide for converting to the general use of such system within 10

years after the date of enactment of this act which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Metric Conversion Act of 1972".

FINDINGS

SEC. 2. The Congress finds that—

(1) the use of the metric system of weights and measures in the United States was authorized by the Act of July 28, 1866 (14 Stat. 339); and

(2) the United States was one of the original signatories to the Convention of the Meter (20 Stat. 709), which established the General Conference of Weights and Measures, the International Committee of Weights and Measures, and the International Bureau of Weights and Measures; and

(3) the metric measurement standards recognized and developed by the International Bureau of Weights and Measures have been adopted as the fundamental measurement standards of the United States and the customary units of weights and measures used in the United States have been since 1893 based upon such metric measurement standards; and

(4) the United States is the only industrially developed nation which has not established a national policy committing itself to and facilitating conversion to the metric system; and

(5) as a result of the study to determine the advantages and disadvantages of increased use of the metric system in the United States authorized by Public Law 90-472 (82 Stat. 693), the Secretary of Commerce has found that increased use of the metric system in the United States is inevitable, and has concluded that a national program to achieve a metric changeover is desirable; that maximum efficiency will result and minimum costs to effect the conversion will be incurred if the conversion is carried out pursuant to a national plan; that the changeover period be ten years, at the end of which the Nation would be predominantly, although not exclusively, metric; that a central planning and coordinating body be established and assigned to plan and coordinate the changeover in cooperation with all sectors of our society; and that immediate attention be given to education of the public and to effective United States participation in international standards making.

STATEMENT OF POLICY AND PURPOSE

SEC. 3. It is therefore declared that the policy of the United States shall be:

(1) to facilitate and encourage the substitution of metric measurement units for customary measurement units in education, trade, commerce, and all other sectors of the economy of the United States with a view to making metric units the predominant, although not exclusive, language of measurement with respect to transactions occurring after ten years from the date of the enactment of this Act;

(2) to facilitate and encourage the development as rapidly as practicable of new or revised engineering standards based on metric measurement units in those specific fields or areas in the United States where such standards will result in rationalization or simplification of relationships, improvements of design, or increases in economy;

(3) to facilitate and encourage the retention in new metric language standards of those United States engineering designs, practices, and conventions that are internationally accepted or embody superior technology;

(4) to cooperate with foreign governments and public and private international organizations which are or become concerned with the encouragement and coordination of increased use of metric measurement units or engineering standards based on such units, or both, with a view to gaining international recognition for metric standards proposed by the United States;

(5) to assist the public through information and educational programs to become familiar with the meaning and applicability of metric terms and measures in daily life. Programs hereunder should include:

(a) public information programs conducted by the Board through the use of newspapers, magazines, radio, television, other media, and through talks before appropriate citizens groups and public organizations;

(b) counseling and consultation by the Secretary of Health, Education, and Welfare and the Director, National Science Foundation with educational associations and groups so as to assure the metric system of measurement is made a part of the curriculums of the Nation's educational institutions and the teachers and other appropriate personnel are properly trained to teach the metric system of measurement;

(c) Consultation by the Secretary of Commerce with the National Conference of Weights and Measures so as to assure that State and local weights and measures officials are appropriately informed of the intended metric changeover and are thus assisted in their efforts to bring about timely amendments to weights and measures laws.

(d) such other public information programs by any Federal agency in support of this Act which relate to the mission of the agency;

(6) to accomplish a changeover to the greatest practical extent within ten years by Federal agencies to the metric system of measurement pursuant to the comprehensive plan developed by the Board; and

(7) to utilize Federal procurement activities to encourage the general use of the metric system of measurement.

DEFINITIONS

SEC. 4. For the purpose of this Act—

(a) The term "metric system of measurement" means the International System of Units as established by the General Conference of Weights and Measures in 1960 and interpreted or modified for the United States by the Secretary of Commerce.

(b) The term "engineering standard" means a standard which prescribes a concise set of conditions and requirements to be satisfied by a material, product, process, procedure, convention, test method, and the conformance characteristics thereof.

(c) The term "changeover period" means the length of time for the United States to become predominantly, although not exclusively, metric.

ESTABLISHMENT OF NATIONAL METRIC CONVERSION BOARD

SEC. 5. There is hereby established a National Metric Conversion Board (herein referred to as the "Board") to implement the policy set out in this Act.

SEC. 6. The composition of the Board shall be as follows:

(a) Nine members shall be appointed by the President, with the advice and consent of the Senate, from among those persons with experience and competence in the following areas: business, labor, education, consumer protection, science, and technology. The President shall designate one member appointed by him to serve as Chairman. The members first appointed under this section shall continue in office for terms of 1, 2, 3, 4, and 5 years, respectively, from the date this section takes effect, the term of each to be designated by the President at the time of nomination. Their successors shall be appointed each for a term of five years from the date of the expiration of the term which his predecessor was appointed. No more than five of the members shall be appointed from the same political party;

(b) One Member of the Senate shall be appointed by the President of the Senate; and

(c) One Member of the House of Representatives, who shall not be a member of the same political party as the Member of the Senate, shall be appointed by the Speaker of the House of Representatives.

SEC. 7. No vacancy on the Board shall impair the right of the remaining members to exercise all the powers of the Board. Six members of the Board shall constitute a quorum for the transaction of business. The Board shall annually elect a Vice Chairman to act in case of the absence or disability of the Chairman or in case of the vacancy in the Office of the Chairman.

SEC. 8. (a) Within eighteen months after funds have been appropriated to carry out the provisions of this Act the Board shall, in furtherance and in support of the policy expressed in section 1 of this Act, develop and submit to the President and the Congress a comprehensive plan to accomplish a changeover to the metric system of measurement in the United States. Such a plan may include recommendations for legislation deemed necessary and appropriate. Such a plan shall include proposed Executive orders or other directives, which the President is authorized to promulgate and make effective, requiring such conversion activities of the Federal Government, including procurement, in accordance with an appropriate time schedule and pursuant to the comprehensive plan. In developing this plan the Board shall—

(1) consult with and take into account the interests and views of the United States commerce and industry, including small business; science; engineering; labor; education; consumers; government agencies at the Federal, State, and local level; nationally recognized standards developing and coordinating organizations; and such other individuals or groups as are considered appropriate by the Board to carry out the purposes of this section;

(2) consult, to the extent deemed appropriate, with foreign governments, public international organizations, and, through appropriate member organizations, private international standards organizations. Contact with foreign governments and intergovernmental organizations shall be accomplished in consultation with the Department of State.

(b) Any amendment to the plan shall be submitted by the Board to the President and the Congress under the provisions set out in subsection (a) of this section and section 9 of this Act.

(c) Unless otherwise provided by the Congress, the Board shall have no compulsory powers.

SEC. 9. The Board shall begin implementation of the plan at the end of the first period of sixty calendar days that Congress is in session after the date on which the plan is transmitted to it and to the President unless between the date of transmittal and the end of the sixty-day period, either House passed a resolution stating in substance that it does not favor the plan or the President disapproves the plan and gives his reasons therefor.

SEC. 10. In carrying out its duties, the Board is authorized to:

(a) enter into contracts in accordance with the Federal Property and Administrative Services Act of 1949, as amended, with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties;

(b) conduct hearings at such times and places as it deems appropriate;

(c) establish such committees and advisory panels as it deems necessary to work with the various sectors of the American economy and governmental agencies in the development and implementation of detailed changeover plans for those sectors; and

(d) perform such other acts as may be necessary to carry out the duties prescribed by this Act.

SEC. 11. Members of the Board who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Board or otherwise engaged in the business of the Board, be entitled to receive compensation at a rate of $100 per day, including traveltime, and, while so serving on the business of the Board away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service. Payments under this section shall not render members of the Board employees or officials of the United States for any purpose.

SEC. 12. (a) The Board is authorized to appoint an Executive Director who shall serve full time and receive basic pay at the rate not to exceed the rate provided for GS–18 in section 5332 of title 5, United States Code, and to appoint and fix the compensation of such staff personnel as may be necessary to carry out the provisions of this Act.

(b) The Board is authorized to employ experts and consultants or oganizations thereof as authorized by section 3109 of title 5, United States Code, compensate individuals so employed at rates not in excess of the rate prescribed for grade 18 of the General Schedule under section 5332 of such title, including traveltime, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of said title 5 for persons in the Government service employed: *Provided, however,* That contracts for such employment may be renewed annually.

SEC. 13. Financial and administrative services (including those related to budgeting, accounting, financial reporting, personnel, and procurement) and such other staff services as may be requested by the Board shall be provided the Board by the Secretary of Commerce, for which payment shall be made in advance, or by reimbursement, from funds of the Board in such amounts as may be agreed upon by the Chairman of the Board and the Secretary of Commerce. In performing these functions for the Board, the Secretary is authorized to obtain such information and assistance from other Federal agencies as may be necessary.

SEC. 14. (a) The Board is hereby authorized to accept, hold, administer, and utilize gifts, donations, and bequests of property, both real and personal, and personal services, for the purpose of aiding or facilitating the work of the Board. Gifts and bequests of money and the proceeds from sales of other property received as gifts or bequests shall be deposited in the Treasury in a separate fund and shall be disbursed upon order of the Board.

(b) For the purpose of Federal income, estate, and gift taxes, property accepted under subsection (a) of this section shall be considered as a gift or bequest to or for the use of the United States.

(c) Upon the request of the Board, the Secretary of the Treasury may invest and reinvest in securities of the United States any moneys contained in the fund herein authorized. Income accruing from such securities, and from any other property accepted to the credit of the fund authorized herein, shall be disbursed upon the order of the Board.

SEC. 15. The Board shall cease to exist no later than ten years after submission of a comprehensive plan to accomplish a changeover to the metric system of measurement that is not disapproved by the President or either House of Congress.

SEC. 16. The Board shall submit annual reports of its activities to the President and the Congress with respect to (1) progress being made under such plans; (2) tangible costs and benefits being incurred thereunder; and (3) any additional legislation needed to carry out the policy stated in this Act.

SEC. 17. There are hereby authorized to be appropriated not to exceed $3,000,000 for the fiscal year beginning July 1, 1972, not to exceed $4,000,000 for the fiscal year beginning July 1, 1973, and for each of the following three fiscal years not to exceed $2,500,000. Appropriations to carry out the provisions of this Act may remain available for obligation and expenditure for such period or periods as may be specified in the Acts making such appropriations.

The amendment was agreed to.

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

The title was amended, so as to read: "A bill to provide a national program in order to make the international metric system the predominant but not exclusive system of measurement in the United States and to provide for converting to the general use of such system within 10 years.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

EXCURSION FROM CAMBODIA

Mr. MANSFIELD. Mr. President, apart from Vietnam, there are other situations in which we are enmeshed in Southeast Asia. It is difficult to keep them continuously in mind, so remote are they from any vital interest of the people of this Nation. Nonetheless, they go on, these irrelevant involvements. There is the half-forgotten war in Laos. There is the almost completely forgotten war in Cambodia. They cost this Nation hundreds of millions of dollars of public funds each year. They cost lives—some American lives, many other lives—men, women, and children. They open ever wider fans of destruction over Indochina.

How many months ago, or years, was it, that we moved into Cambodia? Perhaps it will be only dimly remembered but that blitzkreig tactic was debated for weeks at the time. The "incursion" into the Cambodian-Vietnamese border region was launched with great fanfare. It was supposed to result in the capture of the enemy headquarters, the destruction of the border "sanctuaries," the hastening of the end of the war and the insuring of the "safe" withdrawal of our forces.

Of course, the Cambodian invasion did none of these things. The high command, if it was ever there in the first place, simply moved out long before the invasion began. To the mounting casualties in Vietnam and Laos, Cambodia added new accumulations of United States and other casualties.

What had been a constricted border hideout for the supply of a limited number of Vietcong and North Vietnamese was turned by the incursion into a broad highway for the deployment and movement of any number of North Vietnamese and Vietcong forces almost at random throughout most of Cambodia.

In short, the Cambodian gambit brought, not peace, but another costly extension of our involvement in Southeast Asia and one more expensive dependent government. It contributed to converting into one more desert of war, the last oasis of civil stability and modest progress in Indochina—the Cambodia of Prince Norodom Sihanouk. This dubious conversion was paid for almost entirely with the money of the American people. How many American lives also paid for it, Mr. President? How many limbs? How many more drug addictions?

Over and over again, the press has documented this exercise in tragic futility in Cambodia. The sorry recitation of internal devastation, corruption, incompetence, disassociation of people from government, mystic militarism, the growth of indigenous revolutionary forces and so on is all to familiar to anyone who has followed the situation in Southeast Asia over the years. Regrettably, the Cambodian situation is one in which we permitted our involvement—again as we did in Vietnam, as we did in Laos—to rise from the wetting of a toe up to the level of our necks. Indeed, we played the major part through military aid programs, air support and B–52 bombing in converting what was a tolerable, productive and certainly peaceful existence for ordinary Cambodians into a life of aimless refugees among the spreading ruins of their towns and villages. All that has been spared, it would seem, is the corruption in the capital of Phnom Penh.

So far as I can see, Mr. President, the best thing that could happen to the people of the United States in this situation would be for the administration to end, forthwith, our military involvement in every form in the Cambodian theater of the Indochina war. As for the Cambodian people, the matter is for them to decide but it would seem to me they would be a lot better off if Prince Sihanouk were to be returned to Phnom Penh to head an interim government at least until such time as the war ends in a peace settlement. The Peking government with whom the President and his foreign policy adviser, Dr. Kissinger, have established such excellent working relations, might well be prevailed upon to assist in the diplomacy of this endeavor. May I add that I would be remiss if I did not acknowledge, as remote, the likelihood of this development's coming to pass in the near future. It looks to me, Mr. President, that we select our lemons and having done so, seem determined to hold on to them until, not they, but we, ourselves, are squeezed dry.

THE SITUATION IN CAMBODIA

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Weary Cambodians Losing Confidence in Lon Nol," written by Arnold R. Isaacs, and pub-

lished in the Baltimore Sun of August 18, 1972.

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

WEARY CAMBODIANS LOSING CONFIDENCE IN LON NOL

(By Arnold R. Isaacs)

PHNOM PENH, CAMBODIA.—President Lon Nol's popular support is draining away as Cambodia's war weariness grows and his government seems increasingly remote, erratic, corrupt and inefficient.

The 58-year-old president, who came to power after the overthrow of Prince Norodom Sihanouk in March 1970; has managed to keep his country from collapsing altogether—perhaps a remarkable achievement in itself.

HOPED FOR TWO THINGS

But he has disappointed the millions of Cambodians who, in their initial outpouring of support, hoped above all for two things: the expulsion of Vietnamese Communists from Cambodian territory and an end to the whimsical, unpredictable and corrupt Mandarin style of the Sihanouk government.

The atmosphere of political bickering is worse than ever, many Cambodians feel.

The current political turmoil began in March, when Marshal Lon Nol, after ruling for two years as prime minister, declared himself president, assuming extremely broad executive powers and dissolving the National Assembly.

At the same time, he scrapped a draft of a republican constitution prepared by the legislators and substituted a draft written hastily to his own specifications, legalizing nearly all the extraordinary powers he had seized.

The new document was put to a referendum and was approved, by official tally, by more than 97 per cent of the voters.

On June 4, presidential elections were held and Marshal Lon Nol, to no one's surprise, was elected, though his opponents charged the voting was flagrantly rigged.

In the course of these events, many of the president's associates went over to the opposition.

The most prominent were In Tam, who had been National Assembly president and who ran against Marshal Lon Nol in June, and Sisowath Sirik Matak, who as prime minister-delegate had virtually run the country.

MORALE UNDERMINED

The next step after the presidential election is the choice of a new National Assembly, scheduled for September 4. In Tam's Democratic party and Prince Sisowath's Republicans, after a vain effort to change election laws that heavily favor government candidates, decided not to enter any candidates.

These political intrigues among the privileged have little meaning for the average Cambodian, but the general sense of national disunity has seriously undermined the country's morale and self-confidence.

There is no one to serve, as Prince Sihanouk did even at his worst, as a symbol of the nation.

Everyone, too, is affected by corruption, which seems, according to most neutral observers, to be spreading.

The local newspapers and foreign diplomats have documented examples of truck drivers paying bribes at no fewer than 17 checkpoints during a 35-mile journey, of farmers doubling the price of a pig because they have been shaken down for that much while bringing it to market, of officers collecting pay for thousands of "ghost soldiers" and sometimes leaving real soldiers unpaid for six months or more while pocketing the money.

REFUGEES CROWD CAPITAL

Hundreds of thousands of Cambodians, fleeing the fighting, have crowded into Phnom Penh, where living costs are higher than in the countryside.

The government does not have funds to provide more than marginal assistance to war refugees, and officials at the War Victims Commission, the government relief agency, say that of the estimated half million refugees, only about one-third have received any help at all.

The assistance is nominal. A "registered" refugee family, averaging five persons, normally gets one week's rations—15 kilograms of rice, 7 tins of fish, a kilogram of salt, and sometimes a few vegetables or other foods.

After a week, most refugees must find a way to support themselves, usually by living with relatives.

NO CONFIDENCE IN GOVERNMENT

At an unfinished hotel in Phnom Penh, now being used as temporary quarters for recent evacuees from Svay Rieng, conversations with a dozen or more refugees suggested that they, like other Cambodians, have lost much of their confidence in the government's ability to protect them.

Without exception, those interviewed planned to remain in Phnom Penh, saying they would not return even if government troops recaptured their villages, for fear they would simply have to run again.

The war has so disrupted the countryside that travel outside Phnom Penh for most civilians is limited to perhaps 20 or 30 miles.

Even roads officially classed as "secure," like the highway to the principal port of Kompong Som, are actually traveled only by escorted convoys.

The sense of isolation and the difficulty of visiting homes or relatives have also disheartened many Cambodians. In the Khmer expression, "the country is broken."

All of this could perhaps be borne if the government had scored any significant victories on the battlefields, but it has not, and Communist forces now occupy most of the eastern half of the country, except for a few government-held enclaves around the major towns.

If any motivation to carry on the war remains, it is not rooted in any commitment to the Lon Nol government but simply in the Cambodian's traditional fear and hatred of the Vietnamese.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Oregon, the acting minority leader, desire to be recognized?

Mr. PACKWOOD. I do not.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Virginia (HARRY F. BYRD, JR.) is recognized for not to exceed 15 minutes.

TRIBUTE TO SECRETARY OF TRANSPORTATION VOLPE

Mr. HARRY F. BYRD, JR. Mr. President, I want to make a few comments this morning in regard to the distinguished Secretary of Transportation, the Honorable John A. Volpe. This week, Mr. President, Secretary Volpe gave a series of five brief interviews with a Virginia radio station, WAVA, of Arlington, Va. These interviews are most interesting and, I think, enlightening.

I am not prepared at this time to endorse all of the proposals suggested by Secretary Volpe. However, I am impressed with the imaginative and able way in which he has handled his responsibilities as Secretary of Transportation.

Secretary Volpe had a highly successful career in private business. He was an outstanding Governor of the Commonwealth of Massachusetts and, in my judgment, he is an outstanding Cabinet officer serving as Secretary of Transportation.

I am impressed with the fact that he is readily accessible, that he is prompt in handling his correspondence, and that his department is operated with a high degree of efficiency. I might say that to the Senator from Virginia, Secretary Volpe seems very refreshing as compared to some of the other high officials of government who put themselves in an ivory tower and deal in theory and seem unaware of realities. But not John Volpe.

Mr. President, I want to comment on one or two of the interviews of Secretary Volpe. He cites in his interview of Wednesday, August 16, the Shirley Highway project in northern Virginia as an example of how the use of public transportation facilities can be greatly increased. He points out that the Department of Transportation set up an exclusive busway with express bus service for commuters and turned the rush hour driving habits around. More Shirley Highway commuters today ride the bus than drive.

A recent survey, Secretary Volpe points out, of the Shirley Highway morning rush hour count showed 9,100 bus passengers as compared to 7,700 auto commuters; a 110-percent increase for mass-transit and a reduction of 2,800 cars, along with a more efficient use of the highways for those automobiles.

This Shirley Highway proposal was worked out with the Department of Transportation along with the North Virginia Transportation Commission under the able chairmanship of Joseph Alexandria, a member of the board of supervisors of Fairfax County. I think this is a very desirable experiment and that it has proven to be a very successful one.

I was interested also, Mr. President, in Secretary Volpe's comment in regard to skyjacking. He said that the hijacking of planes is a preventable crime if the airlines are tough enough in their boarding procedures on the ground. If they are tough enough on the ground, Secretary Volpe says, there will be no necessity to have to get tough in the air.

He points out that in one 3-month period 2,000 passengers were prevented from boarding and 800 were arrested. And of those arrested, about half of them were armed.

Ground security is being intensified, and that is good news for air travelers. He points out that Congress is appropriating enough money to equip virtually every boarding gate at every U.S. airport with metal-detecting equipment.

I think all of this is good news for the hundreds of thousands of Americans who daily use the Nation's airlines.

Again I commend the work of Secretary Volpe, who is an outstanding Cabinet officer who is rendering effective and

outstanding service to his fellow citizens.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the five interviews, beginning with Monday, August 14, 1972, and continuing through Friday, August 18, 1972, which Secretary Volpe gave to radio station WAVA, Arlington, Va.

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

MONDAY, AUGUST 14, 1972

Q. Do you consider TRANSPO a success?

A. Definitely yes. I find it significant that so many people came to what was essentially a trade show. The long lines of people who stood in line for an hour or more to ride on the Personal Rapid Transit models—to go through the various new trains and commuter cars—to look over the Experimental Safety Vehicles—in fact, to see everything the industry and government had to offer—indicates to me a tremendous public interest in what we're trying to do in transportation. I'm glad we were able to reward that interest with such an outstanding exposition.

It's hard to know what the economic impact will eventually be but our best estimate at this time is that TRANSPO 72 will generate sales in the neighborhood of $200 million. Some of the companies that exhibited almost reluctantly—you might say out of a sense of patriotic duty—were the most enthusiastic about results once the show got underway.

I personally feel we should count as a benefit of great potential significance the tremendous amount of international good will that was generated in connection with this undertaking. Delegations of more than 50 nations from around the world met with us in formal conferences and informal visits to discuss mutual problems and exchange ideas for their solutions. They all seemed favorably impressed with what they saw of U.S. technology. I can tell you that some of the nations that declined to exhibit at the first TRANSPO have indicated they'd like to reconsider if we stage another one. I might add that exhibitors, visitors, foreign officials, have all encouraged us to stage other TRANSPO's on a regular basis.

This first exposition of its kind gave the casual viewer new faith in America's leadership in the transportation field. It gave planners new insight into what's available now and what's coming up in transportation hardware and software. And it gave exhibitors sales and leads in new markets, both domestic and foreign. I'm convinced TRANSPO was good for the United States and good for the future of transportation.

TUESDAY, AUGUST 15, 1972

Q. I have heard references in transportation discussions to a single urban fund? What does this mean?

A. We are proposing that some of the Federal Highway Trust Fund be set aside and that it be made available to states and cities for improving local urban transportation. The decision on how these funds will be spent will be made by state and local authorities. Under the present Federal Aid Highway Act all funds must be spent for highways and highway related projects. The difficulty is, however, a number of cities simply don't need highways. Their highest transportation priority may be buses or rail transit or perhaps upgrading commuter railroads.

Our proposal is based on the idea that local authorities are best qualified to determine local transportation problems and their solutions. Consequently, we want them to determine what's best. And we'll provide most of the funding. By 1975 we anticipate there will be about 6 billion dollars in the Highway Trust Fund and about 2 billion would go into the single urban category for use on a flexible basis for any mode of transportation. Now I want to make one thing clear. This is not a program to promote mass transit, or railroads, or highways. It is a program to promote the very best transportation possible, balanced transportation. And whatever our cities and states decide, they can go ahead and build. We have just sent up to the Congress a new study of transportation needs for the next two decades. The data for this report was contributed by all 50 states and this report shows very dramatically that transportation priorities vary from state to state and from city to city. And we here in Washington must cooperate with these local authorities and help them meet their special needs.

The present highway program dictates highways, but we must help cities find an alternative to the highway. We simply can no longer accept the spectre of increased air pollution, highway congestion and urban strangulation. We have tried to make the motor vehicle the complete answer to our surface transportation problems. We cannot do this any longer. Now we must assist with alternatives.

WEDNESDAY, AUGUST 16, 1972

Q. Mr. Secretary, do you foresee a return of widespread use of public transportation in our cities?

A. I certainly do! It won't happen overnight but the trend has started already. We in the Department of Transportation are working to make public transportation better for people—cleaner, quieter, safer, more comfortable, less congested—easier on the traveler and the environment. This is our most compelling task—to revitalize urban transportation—to release the strangle hold the automobile has on our cities. And it is an intermodal task, involving the co-operation of highway and transit planners, industry and government, citizen groups and community officials.

During the present Administration, the Urban Mass Transportation Administration has spent a billion dollars for public transportation. That's more than the total Federal funding for all the previous five years. Additionally, under President Nixon's Urban Mass Transportation Assistance Act of 1970, another billion dollars for mass transit for Fiscal 1973 has been budgeted. As a result of this program, faltering or failing transit systems have been saved or stabilized in some 60 U.S. cities. Think of that!

We have proposed, also, to help the cities meet the transportation crisis by proposing a single category of funding, supported by Highway Trust Fund resources, for urban transportation purposes. We want to give the States and cities a choice of technologies, plus a choice of spending options.

We feel local officials know problems best. Nearly 300 transit systems have gone out of business in the last 20 years. There is no doubt that we must halt that decline and reverse the trend; not by forcing people to ride buses and transit cars, but by making public transportation so attractive the private car will become, in many instances, "second choice" for intercity trips.

The Shirley Highway Project in Northern Virginia is a prime example. We set up exclusive busway with express bus service for commuters and turned rush hour driving habits around; more Shirley commuters today ride the bus than drive.

A recent Shirley Highway morning rush hour count showed 9,100 bus passengers and 7,700 auto commuters; a 110 percent increase for mass transit, a reduction of 2,800 cars, and a more efficient use of highways for those automobiles.

At certain points during rush hour bus patronage is up 300 percent. The new group of delighted bus riders find that they are saving—on the average—at least 30 minutes each day. On Shirley Highway, we are proving by means of technology and by hold and innovative plans, that public transportation can be reborn and find new favor with the public.

THURSDAY, AUGUST 17, 1972

Q. Mr. Secretary, is the Government's policy toward skyjackers still one of resistance, and—if so—how can you "get tough" with hijackers without endangering the lives of passengers and crew?

A. Hijacking is a "preventable" crime. If the airlines are tough enough in their boarding procedures on the ground, there will be no necessity to have to get tough" in the air.

The FAA behavioral profile, for example, is amazingly effective—if it is religiously applied and faithfully enforced. In the late July hijacking of the Delta plane, you may remember, it turned out that two of the skyjackers had aroused suspicions, but the "profile alert" was not followed up by a search procedure. I have since directed that not only must the airlines screen all passengers, but any who fit the behavioral profile *must* have their hand luggage searched and pass an electronic device before they can board.

President Nixon has taken a firm policy of resistance ever since September 1970, when three commercial aircraft were hijacked and subsequently blown up. The President immediately implemented the Sky Marshal force as a back-up to preboarding screening procedures.

The profile, incidentally, is more effective than people realize. In one three-month period 2,000 passengers were prevented from boarding. Eight hundred were arrested, and about half of them were armed.

Ground security is being progressively intensified. Congress is appropriating enough money to equip virtually every boarding gate at every U.S. airport with metal-detecting equipment.

So when we say we're going to fight back, violence is the last thing we want. The safety of passengers and crew always has been and always will be our first concern. Our weapons are surveillance, technology, and determination. The odds are now heavily against the hijacker . . . and getting tougher all the time. Out of 28 hijacking and extortion attempts this year, 21 failed. That means only 7 successful hijackings out of more than two and a half million flights in this period. Pretty good average I'd say—but we won't be satisfied until there are no hijackings, successful or otherwise. President Nixon has said we won't be intimidated. We shall continue to take whatever actions are necessary to make air commerce safe and secure.

FRIDAY, AUGUST 18, 1972

Question. Mr. Secretary, we are all concerned with the increasing threat of death on our highways and in particular the number of alcohol-related deaths each year. Can you tell us what is being done to get the drunk driver off the road?

Answer. I can tell you that no task in our Department is more urgent than lowering the highway death toll, and solving the drinking-driving problem is basic to that objective.

The statistics are appalling. Of last year's 55,000 highway fatalities, 50% or 28,000 were alcohol-related. Even more appalling is the fact that two-thirds of those fatalities, 19,000 were caused by problem drinkers who drive.

At the Direction of President Nixon, a wide-ranging alcohol countermeasures program has been developed. In my Department, we've committed $84 million for a three and one-half year period to set up model, community-level demonstration projects—Alcohol Safety Action Programs—in 35 locations across the country. They are designed to educate the driver and rehabilitate the problem drinker.

In addition a massive information-education campaign designed to generate public awareness of the continuing threat of the drunk driver was launched in March 1972. Research and development programs for better hardware, such as breath testing devices and ignition control systems have been established. And Federal funds have been made available to the states in order to assist them in bringing their programs in line with Federal standards.

As long as 25,000 people die each year as a result of abusive drinking and driving then drunk driving will remain our concern. President Nixon feels that way. I feel that way—and so should every citizen of this Nation. It is our problem—our responsibility—to get the drunk driver off the road and into an appropriate course of rehabilitation.

Mr. HARRY F. BYRD, JR. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Virginia has 8 minutes remaining.

ECONOMIC EXPANSION

Mr. HARRY F. BYRD, JR. Mr. President, the August 1972 issue of the Economic Research Division of the Chase Manhattan Bank goes into some detail regarding the U.S. economic expansion and it discusses also the Federal budgetary situation.

The report of the Chase Manhattan Bank emphasizes that U.S. economic expansion is gaining momentum. It points out that if the economy follows the path most observers expect for the balance of the year the real growth for all of 1972 will approximate 6 percent. Perhaps equally important, it notes this will be only the second year since 1966 when the gain in real activity was greater than the increase in prices.

The only other such year was 1968 when the economy was artificially stimulated, according to the Manhattan report, by spending in support of the war in Southeast Asia.

It makes the very important point that growth will not solve all economic problems of the United States, but it notes "it can create a climate in which attempts to deal with this problem are more likely to be successful." The report states:

In particular, continued economic growth would provide an opportunity to deal responsibly with persistent and potentially inflationary Federal budget deficits.

Then, it states:

As matters stand, the outlook for the U.S. budget is decidedly unhealthy.

Most certainly that is no exaggeration; if anything, it is an understatement.

The outlook for the U.S. budget is decidedly unhealthy, and this report of the Economic Research Division of the Chase Manhattan Bank states:

In these circumstances, the next administration and Congress will face an unpleasant choice. They can raise taxes or limit spending. Or they can leave fiscal matters as they are and allow the Federal budget to feed a new inflation.

Yes, Mr. President, I think the new administration and the new Congress beginning in January will face unpleasant choices. Ironically, those unpleasant choices are being fostered on both the Congress and the administration by both the Congress and the administration themselves. I do not see any evidence that either the administration or the Congress is attempting to get Federal spending under control. In fact, it is getting more out of control every day.

The administration estimates the Federal funds deficit for the current fiscal year will equal $38 billion. In my judgment, it will exceed $40 billion. A $40 billion deficit in 1 year is a fantastic figure, particularly when it is added on top of all the other deficits which the Government has run for many, many years.

Mr. President, I have prepared a table showing deficits in Federal funds and interest on the national debt, 1954 to 1973, inclusive. I ask unanimous consent that the table may 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. HARRY F. BYRD, JR. Mr. President, I have prepared another table entitled "U.S. Gold Holdings, Total Reserve Assets and Liquid Liabilities to Foreigners." Liquid liabilities to foreigners today totals $67 billion whereas total assets are only $13 billion. I ask unanimous consent that this table may be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 2.)

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

EXHIBIT 1

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1954-73 INCLUSIVE

[In billions of dollars]

	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1954	62.8	65.9	−3.1	6.4
1955	58.1	62.3	−4.2	6.4
1956	65.4	63.8	+1.6	6.8
1957	68.8	67.1	+1.7	7.2
1958	66.6	69.7	−3.1	7.6
1959	65.8	77.0	−11.2	7.6
1960	75.7	74.9	+.8	9.2
1961	75.2	79.3	−4.1	9.0
1962	79.7	86.6	−6.9	9.1
1963	83.6	90.1	−6.5	9.9
1964	87.2	95.8	−8.6	10.7
1965	90.9	94.8	−3.9	11.4
1966	101.4	106.5	−5.1	12.0
1967	111.8	126.8	−15.0	13.4
1968	114.7	143.1	−28.4	14.6
1969	143.3	148.8	−5.5	16.6
1970	143.2	156.3	−13.1	19.3
1971	133.7	163.7	−30.0	20.8
1972 [1]	147.1	179.3	−32.2	21.2
1973 [1]	152.6	190.4	−37.8	22.3
20-year total	1,927.6	2,142.2	214.6	241.5

[1] Estimated figures.
Source: Office of Management and Budget and Treasury Department.

EXHIBIT 2

U.S. GOLD HOLDINGS, TOTAL RESERVE ASSETS, AND LIQUID LIABILITIES TO FOREIGNERS

[Selected periods in billions of dollars]

	Gold holdings	Total assets	Liquid liabilities
End of World War II	20.1	20.1	6.9
Dec. 31, 1957	22.8	24.8	15.8
Dec. 31, 1970	10.7	14.5	43.3
Dec. 31, 1971	10.2	12.2	64.2
May 31, 1972	10.5	13.3	[1] 67.0

[1] Estimated figure.
Source: U.S. Treasury Department.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Iowa is recognized for 15 minutes.

THE TIP OF THE ICEBERG

Mr. HUGHES. Mr. President, several weeks have passed since I last reported to the Senate on the status of the investigation into the unauthorized attacks on North Vietnam by aircraft under the command of General Lavelle. Since the Armed Services Committee will be holding hearings on this subject in the near future, I wanted to inform my colleagues of the issues as they stand at this point.

Recent attention has focused on the fact that General Lavelle was retired with a startling 70 percent disability only a few weeks after he had been certified as flight-qualified. Other voices have demanded a court-martial for the general.

The primary issue is not General Lavelle, however, but the command and control system which permitted and then allowed to be concealed the unauthorized attacks against North Vietnam. Nor should General Lavelle be made the lone scapegoat if it turns out that others in the chain of command are also responsible for these actions.

I might add it seems almost impossible that one man along that chain of command could have been the only man aware of or issuing orders in relation to those strikes.

So far we have seen only the tip of the iceberg—one man disciplined on the basis of one investigation prompted by one letter to one U.S. Senator. Now we must go further, and I trust that the committee's hearings will explore all relevant facets of this issue.

At my request, a special subcommittee of the Armed Services Committee held a hearing to take testimony from Adm. Thomas H. Moorer, Chairman of the Joint Chiefs of Staff, about the Lavelle incident. Admiral Moorer's nomination for reappointment as Chairman was pending before the Armed Services Committee, and he appeared in that connection.

It was my feeling that the committee wanted a more complete picture of his role in the command and control structure, particularly with respect to our military operations in Indochina, and the

questions I devised for Admiral Moorer were intended to elicit that information.

Mr. President, I believe my colleagues in the Senate would be interested in reading some of Admiral Moorer's opening statement to the subcommittee regarding these matters, and I ask unanimous consent that the statement 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. HUGHES. Mr. President, in answer to a series of questions, Admiral Moorer, in his testimony, provided the subcommittee with insight into the process by which General Lavelle forwarded his requests for authorization to strike certain targets—including targets that he regarded as military targets in North Vietnam.

This testimony is basic to our investigation, Mr. President, because there are strong indications that specific requests from General Lavelle were specifically turned down at several levels, in keeping with U.S. policy against attacking targets of opportunity in North Vietnam.

Mr. President, this testimony is most important because it demonstrates that there were numerous written communications that traveled up and down the chain of command—from General Lavelle to Secretary Laird and back—communications that are vital to an understanding of what, exactly, transpired in connection with General Lavelle's attempts to secure approval for his air strikes against North Vietnam.

I will insist that these orders be examined in detail by the Armed Services Committee and, wherever possible consistent with reasonable security precautions, they be made a part of the public record to be published by the committee.

The chain of command reached both up and down from General Lavelle. In fact, Admiral Moorer testified that there were several points of importance along the chain of command through which orders, reports, and requests for bombing authority passed.

Beneath General Lavelle were the commanders of forces operating in South Vietnam, near the DMZ in North Vietnam, in Laos and Cambodia, and from the 7/13th Air Force elements in Thailand.

Upward from General Lavelle, the orders, reports, and requests were channeled through General Abrams, commander of American forces in Vietnam, to Admiral McCain, commander in chief, Pacific forces, and then to the Joint Chiefs of Staff and, when appropriate, to Secretary of Defense Laird.

I have already informed the Senate of my request to the distinguished chairman of the Armed Services Committee (Mr. STENNIS) to have the airman who first wrote to me called as a witness in the forthcoming hearings. I have also suggested by letter to the chairman calling on others in the chain of command between General Lavelle and this brave sergeant.

In addition, I have requested that the committee hear from General Abrams and Admiral McCain, as well as General Lavelle, before action is taken on any of the nominations regarding these men that are pending before the committee.

Since we need the personal testimony of officers involved in this chain of command, I have requested that no action be taken by the committee on a series of nominations in which these officers are involved.

First there was the nomination of General Lavelle to retire at a reduced grade of lieutenant general.

Second, the nomination of Gen. Creighton Abrams, former military commander in Vietnam, as Army Chief of Staff.

Third, the nomination of Adm. John D. McCain, Jr., commander in chief, Pacific, for retirement at the rank of full admiral.

In each of these cases, I have requested that these nominations be deferred until the committee has had an opportunity to examine in detail the operation—and apparent failure—of the command and control system that we used in Southeast Asia and what role, if any, each of them had in connection with General Lavelle's transgressions.

Only if we examine each link in the chain of command can we be sure that we will find and correct whichever ones may have been defective.

Mr. President, my own doubts about the command and control system were not eased when Admiral Moorer testified that he had known about one unauthorized attack during the 4-month period in question. In this instance, in December, one or two planes fired on a radar installation which was used to control North Vietnamese fighters. Since that particular facility was not authorized, Washington brought the incident to the attention of the field commander.

But instead of being suspicious of such violations of orders, the military command also went to Secretary Laird and received his permission to hit similar targets in the future.

In other words, the Pentagon authorized what it had been unable to prevent.

Mr. President, the effectiveness of our system of command and control is clearly the focal point of the concern aroused by the Lavelle affair, but there are grounds to worry about larger and more fundamental issues, also.

The Senator from North Carolina (Mr. ERVIN) has said that the Lavelle affair involves a problem of military control over the military more than a concern over civilian control over the military.

Mr. President, I for one believe that this incident—and a combination of others—raises a question as to the strength of civilian commitment to control military actions.

Policy is not merely what our civilian authorities say, but more importantly it is what is done.

We say that our policy is not to bomb North Vietnam except in retaliation, but the Air Force under General Lavelle bombed North Vietnam at will.

We say it is not our policy to bomb the dikes in North Vietnam, but the dikes are bombed.

We say it is not our policy to bomb schools and hospitals and other civilian targets, yet schools, hospitals, and civilian targets all over Indochina are damaged and destroyed by American bombs.

We say it is not our policy to attack civilians, yet columns of civilian refugees are napalmed as they stream away from areas of intense battle activity.

We say it is not our policy to achieve a first-strike capability in strategic nuclear weapons, yet the President requests funding for weapon systems that have unquestionable capability as first-strike weapons.

We say it is not our policy to strike first with lethal chemical weapons, yet the Army is in the advanced stages of developing new lethal chemical weapons to add to our arsenals.

As I said earlier, Mr. President, these are all contradictions of policies asserted by the civilian leaders of our Government who seem undisturbed by the fact that actual events frequently and sometimes consistently contravene these policies.

It is, in other words, a situation in which civilian leadership is willing to state a policy, but shows little willingness to enforce it.

Newspaper reports have quoted several present and former officials to the effect that the current administration has loosened the reins of control over military operations in Indochina. Whether this occurred because of military assertiveness or White House indifference remains unknown.

Under President Johnson, as we all know, the targeting of attacks in North Vietnam was considered so closely tied to diplomatic strategy that such decisions were made at the highest level.

Under President Nixon, however, this is not the case. When Admiral Moorer was asked whether Dr. Kissinger's office knew or approved of targets in North Vietnam, he replied that large scale operations like the mining of Haiphong would be coordinated with the White House, but not details of "target A or target B."

If the question deals with whether you hit a bridge or a ferry slip or a supply center, of course it is not coordinated.

Yet these very details make the difference between hitting SAM sites on dikes or dikes themselves and bombing supply centers near schools and hospitals or those which are not.

If the civilian authorities refuse to assert their control and monitor the activities done to carry out their policies, they run the risk of criminal neglect.

Only this week I was shocked to read in the New York Times that:

> More than half the ordnance delivered (in Indochina) falls outside the intended target area.

If this is true, it utterly destroys the credibility of our claims of "pinpoint accuracy" and the avoidance of civilian targets.

There is another paradox that strikes one who gives some careful thought to the whole picture of command and control—extended upward from our Military Establishment into the civilian leadership, as well as downward from the fighting man to the very weapons he fights with.

Mr. President, in every military man there is a strong vein of humaneness—an overpowering desire to be able to perform his distasteful task of waging battle without injuring the innocent and uninvolved.

I believe that this humaneness is at the heart of requests from the fighting man for weapons that are more accurate, more predictable, and better tailored to the terrible task.

In other words, Mr. President, the military man strives for weapons over which he has better control—"smart" bombs, laser-guided munitions, pinpoint antitank weapons, costly and sophisticated guidance systems for our aircraft, improved surveillance systems for pinpoint targeting, and a thousand other weapons improvements.

The fighting man asks for these weapons improvements, and the Congress almost without question grants his requests.

We grant them because it just makes good, simple sense for the man in combat to have complete control over the destructive powers at his command.

And there is other technology that receives general approval from the Congress in the name of better command and control. The President has requested—and I predict that Congress will approve—$10 million in fiscal 1973 for acceleration of improvements in C-cubed systems—Command, Control, and Communications.

We can grant this request for better communications gear—we can grant request after request for better weapons that can be better controlled—but the control we urgently need to improve relates to the people who use the systems.

Unless we take strong measures to improve military control over the military man, and above that civilian control over the military establishment, all of the careful and expensive steps for controlling our weapons of destruction are totally wasted.

EXHIBIT 1

TESTIMONY OF ADMIRAL MOORER

Admiral MOORER. I think it would be helpful, Mr. Chairman, and Senator, if I simply give a little background here with respect to the way that the operations have been and are conducted in Southeast Asia. They are conducted on the basis of rules of engagement which were, of course, promulgated in 1965 when the activity first commenced.

As you can appreciate, over this extended period of time the rules of engagement have been modified and updated. For instance, the change in the status of Cambodia would generate a requirement to change the rules of engagement. And so they are continually updated depending upon the situation at the time.

In addition to the standing rules of engagement, we also have what we call authorities of limited duration wherein the forces in the field are ordered to conduct a specific operation for a limited duration.

Now, the requests for these authorities or the genesis of these authorities can come from several places. For instance, the field commander can ask authority to conduct such and such type operation or the unified commander in Hawaii. Admiral McCain, may recommend a certain type of action. The Joint Chiefs of Staff may recommend an action of a certain kind.

However, I want to emphasize to the committee, since this subject always comes up about the question of civilian control, since I have been Chairman of the Joint Chiefs of Staff, and I am sure this has been true in the past, not one directive has ever been given to the forces in the field without first receiving the approval of the Secretary of Defense, and I think that is an important point.

In order to follow operations so far as the air operations are concerned, we have a very, I think, complete and thorough reporting system. This system is called the operation reporting system, and for short the various reports are called OPREPS. There are five of these OPREPS. OPREPS 1, 2, 3, 4, 5.

OPREP 1 indicates the intent to conduct the operation and the nature of the operation.

The OPREP 2 indicates that the operation is now underway, the aircraft have been launched, for instance.

OPREP 3 reports special events that are of particular interest which may occur during the progress of the operation.

OPREP 4 is the report that the pilots make immediately after they return from the flight.

We recognize that this report may not be complete and may be subject to reevaluation but it gives us immediate information on what has happened.

For instance, when the mining operation was conducted in Haiphong, within 30 minutes we had the OPREP 4 back telling us that the mines had been put in the proper position, that all aircraft had returned safely, and a brief outline of the enemy reaction. That type of thing is in OPREP 4.

And finally there is an OPREP 5 which gives a good summary of the verified information that has been reviewed and evaluated and more or less winds up the reporting on the particular operation.

These reports come, of course, to the senior commanders. They come to Hawaii where they are recorded and reviewed by Admiral McCain and they come to Washington where I keep a very detailed record of these reports which are placed in the automatic data processing system and in that way we are able to extract information and statistics concernnig almost any operation that has been conducted under this system.

And I can assure you, Mr. Chairman and Senator Smith, that I watch these reports very carefully in order to evaluate what has taken place, the results of the operations and, of course, from that we develop recommendations concerning other operations of this type or perhaps different operations which might be indicated as desirable.

Last fall when the dry season developed in Laos it became quite apparent that the North Vietnamese were going to lay on a very heavy effort leading to military operations in South Vietnam.

For instance, they deployed south finally a large number of battalions of SA-2 missiles—that is the surface to air missiles—and positioned them north of the DMZ and around their most valuable targets or rather most valuable facilities which were necessary in order to conduct this buildup.

For instance, such a place would be the Mugia Pass or the Dong Hoi transshipment point.

In addition to these ——— battalions of SA-2 missiles, some of which were finally put in Laos, they also deployed south an exceptionally large number of triple A antiaircraft sites and regiments.

In addition to that, they commenced for the first time to operate aircraft, their MIG aircraft, down south, and on frequent occasions they made excursions into Laos. South of Hanoi beginning with Baithuong airfield, they had three other good airfields and they commenced construction of two more, and so we had every indication that they were going to do everything they could to interfere with U.S. air operations.

That was the situation that existed during this period of time in question.

If I may at this point go back a bit. I think, as you recall, when the bombing was halted in 1968, one of the understandings was that we would continue unarmed photo reconnaissance of North Vietnam in order to observe any efforts on the part of the North Vietnamese to move men and material to the south and into South Vietnam.

As I recall, we first endeavored to conduct reconnaissance without any escort for the reconnaissance plane and very shortly after the bombing halt in November 1968 one of our unarmed photo reconnaissance planes was shot down even though the North Vietnamese had agreed that the reconnaissance could take place.

So at that point we began to escort these aircraft, sometimes with two planes, sometimes with four planes, the average I would say was something betwen two and four depending on what the anticipated threat was.

And the authority which permitted these planes to take counteraction in the event they were fired on, the reconnaissance plane was fired on, was an authority which termed such action as protective reaction.

In other words, the authority clearly states that before these aircraft can take action against either the missile or any antiaircraft that fires at them, that there must be evidence that they have in fact been fired upon. This has been the authority and I think it is crystal clear.

As you can appreciate, when the North Vietnamese added Migs to the missiles and antiaircraft and projected them as far south as they did last winter, this presented quite a threat. Therefore, in addition to the flak suppression aircraft, that is the escort aircraft, it was necessary also to provide high-altitude protection against any possible Migs that might come down and attempt to shoot down the reconnaissance plane, and that was done on occasions whenever the field commander felt that there was in fact a Mig threat present.

So you had in the reconnaissance effort a photographic plane which was escorted by two to four aircraft and one or two occasions six, but I don't recall ever having over six, and that is very rare, planes whose orders were in the event the photographic plane was fired upon they in turn were to react against the ground unit firing at the reconnaissance plane. And on occasion up at higher altitude above the photographic plane, we had other aircraft that we call a Mig cap, the Mig is the fighter aircraft that the North Vietnamese use which was charged with the responsibility of preventing the enemy Mig fighters from shooting down the photographic plane.

There were other types of operations which were labeled protective reaction. For instance, we have an aircraft missile which is an antiradiation missile. In other words, it homes on the enemy radar which directs either the guns or the SH-2 missiles. And this particular missile is what one would call a standoff missile. In other words, the plane that fires it does not have to be right at the radar, it can be several miles back, and so consequently the authority has been granted again to use these antiradiation missiles against the radars that directed the antiaircraft and the missiles against our aircraft, but that involves one missile at a time at one radar as compared to bombs that were dropped immediately over the missile site or the missile van or the antiaircraft site.

There was one other authority that dealt

with protective reaction. As a matter of fact, two others. One permitted the aircraft, if they were operating in Laos, and were fired upon by antiaircraft or missiles just inside the North Vietnamese border, such as at the Mugia Pass, to take action against those guns or missiles. In other words, the enemy was not allowed to have a sanctuary where they could sit across the line and fire away as they chose without getting a reaction from our planes.

And, finally, we had protective reaction operations of limited duration. For instance, we noted that a large number of 130-mm artillery pieces were positioned just north of the DMZ system around last Christmas and we requested and received authority to attack these 130-millimeter artillery pieces and they were destroyed.

So those then were the authorities that were given the operating forces and which were used by them during this buildup period that the North Vietnamese used to put themselves in a position to commence this invasion on March 30, 1972.

* * * * *

The CHAIRMAN.

General Lavelle testified that he made numerous requests for authority to hit targets in North Vietnam and that he was turned down. I assume he is quoting now from the Laos hearings. He said he testified.

Did those requests come to your attention?

Admiral MOORER. The procedure for General Lavelle to follow in requesting these authorities is for him to submit them to General Abrams who, in turn, would submit through Admiral McCain to the Joint Chiefs of Staff and we would in turn request authority from the Secretary of Defense.

In other words, the point I am trying to make here, General Lavelle would not make a request directly to the Joint Chiefs of Staff, he would only make a request directly to General Abrams.

So, the answer is "Yes," I did receive requests from General Abrams which I am sure in many cases General Lavelle initiated.

The CHAIRMAN. And they were brought to your attention then by General Abrams?

Admiral MOORER. Yes, sir; that is correct via Admiral McCain.

The CHAIRMAN. But at that time you assumed they came from Lavelle?

Admiral MOORER. Generally—but not always—the requests for air authorities would come from General Lavelle and requests for the ground authorities would come from the Army commander; it works that way.

The CHAIRMAN. He was in charge of the Air Force in that area?

Admiral MOORER. That is right.

The CHAIRMAN. All right, the next question.

Admiral MOORER. If I may, I explained at the outset that the requests for authorities originate in many places. They could come from General Lavelle who, in turn, asked General Abrams at that point, COMUSMAC V—we call him to request from Admiral McCain, or Admiral McCain may originate this himself, or in some cases the Joint Chiefs of Staff may originate the request. We are all watching this all the time, but in the particular case we did receive requests from General Abrams for air authorities.

The answer to that question is "Yes," I did receive them.

The CHAIRMAN. Like a telephone call, it can originate anywhere along the line, it is coming to the same destination?

Admiral MOORER. Yes, sir; the decision is made the same way regardless of where it originates.

Senator SMITH. General Abrams did not identify the person who was making the request to you?

Admiral MOORER. No; he would not do that. It is not necessary and not expected.

The CHAIRMAN. His next question, how did you handle them, still referring to the requests?

Admiral MOORER. In the cases relating to air authorities, I, of course, prepared then a paper and forwarded them to the Secretary of Defense, sir, and requested his approval.

The CHAIRMAN. Suppose you denied the request?

Admiral MOORER. In that case, if the Joint Chiefs of Staff felt that this was not a proper action, we would simply not request approval.

The CHAIRMAN. Wouldn't pursue it further?

Admiral MOORER. Yes, sir; although the Secretary of Defense is informed of the request.

The CHAIRMAN. His next question: Did you communicate with General Abrams about the denial of the request?

Then he says, with Secretary Laird? With General Lavelle? The last three: Abrams, Laird, and Lavelle?

Admiral MOORER. We communicate with General Abrams through Admiral McCain. In other words, we always reply to the request but the Joint Chiefs of Staff send their reply for this, whether it is positive or negative, to the Commander in Chief, Pacific, an information copy goes to General Abrams. So the answer to that is "Yes," I communicated with Admiral McCain; and General Abrams was informed simultaneously what I was telling Admiral McCain and Admiral McCain picks it up and directs General Abrams to take action accordingly. I do not communicate with General Lavelle.

The CHAIRMAN. That is the ordinary course then that these requests take coming in and then going back?

Admiral MOORER. That is correct, sir. Because the Commander in Chief, Pacific, Admiral McCain, is of course, in command of overall operations in the Pacific. So the Joint Chiefs of Staff deal directly with Admiral McCain.

In order to expedite action and to keep everyone informed, we list General Abrams, sometimes General Lavelle, Admiral Clarey, and others that are involved, as we call them, information addresses, so they will know what I told Admiral McCain and that will expedite the action. But I would not give General Abrams a direct order. The order would be given to Admiral McCain who, in turn, would see to it that the action was taken by General Abrams.

Admiral MOORER. No, sir. I am very careful not to do that.

The CHAIRMAN. You already said you didn't skip Abrams either and go to Lavelle.

Admiral MOORER. No, sir. I wouldn't have occasion to communicate directly with General Lavelle.

The CHAIRMAN. Going back to the question. To be sure that it's been fully answered I will repeat it: did you communicate with General Abrams about the denial of these requests, with Secretary Laird, with General Lavelle? I think you have answered those as to Lavelle and as to Abrams but what about Secretary Laird?

Admiral MOORER. Yes, sir.

The CHAIRMAN. If you approved them then, they went on to Mr. Laird?

Admiral MOORER. That is correct. I prepare the rationale explaining why we want approval and I send the rationale plus a message, a proposed message to Admiral McCain and others involved, to Secretary Laird and if he approves the message he signs. He may deny it or he may modify it on occasion. But I want to repeat what I said at the outset, that since I have been chairman of the Joint Chiefs of Staff I have never sent an order to the field without getting approval of the Secretary of Defense.

The CHAIRMAN. All right.

Did you read any of the operations reports or damage assessments filed after the unauthorized raids or any summary reports of them?

Admiral MOORER. Yes, sir. As I explained to you, Mr. Chairman, I keep a very careful record, a machine run. General Pauly, for instance, whom you are well acquainted with through your regular Vietnam briefings, is one of the officers responsible for this, and so the answer to that question is "Yes."

The CHAIRMAN. The next question. Did those reports raise any suspicion in your mind that the 7th Air Force was striking unauthorized targets?

Admiral MOORER. No, sir. The reports do not indicate that the strikes were other than in accordance with current instructions.

There was one case which occurred in December, and this is rather involved, if I may start at the beginning.

The authority for the standoff missiles that I explained to you—the antiradiation missiles—was such that they could be used against the radars that control the missiles and the radars that controlled the antiaircraft. They did not provide authority to strike the radars that are used to control fighters at that particular time.

It became evident to us that the enemy was using the radars that are used to control fighters to aid in directing their missiles. They had developed a system wherein they used the radars that controlled the fighters to pick up the targets and this meant that the radar controlling the missile also was on the air a very short time and, consequently, was not as vulnerable to the antiradiation missiles as it had been before. That was the purpose of tie-in between these various radars systems.

One of the aircraft, as a matter of fact there were one or two of the aircraft, I have forgotten the number, did fire at a radar that is used to control the fighters. Because we were all working on the feasibility of what we suspected the enemy was doing and in the eyes of the pilot, I think he felt that the fighter control radar was part of the missile system. In fact, it was, but literally he did not have authority to do that because we only covered the two types. We are talking about three types: One that controlled the missile, one that controlled antiaircraft and one that controls the fighters. At the moment this strike took place the authority actually covered only two of the radars. I am only talking about one missile; I am not talking about a large formation of airplanes, I am talking about one airplane firing one missile at one radar.

The CHAIRMAN. Pardon me. That is almost a distinction without a difference, isn't it, because it was a converted radar.

Admiral MOORER. Yes, sir.

The CHAIRMAN. Converted?

Admiral MOORER. Yes, sir. We had suspected this and we were examining it technically. I am bringing this up because I wanted to show you that we had picked this firing incident up immediately, that they had fired at this radar. We called the field commander's attention to it. In the meantime we had taken it up with the Secretary of Defense and on 26th of January he expanded this authority to permit firing at all three radars, and this is the case now.

I only mention this to show you and to answer your question that we do review the reports and that we did pick up immediately from the reports, and in this case that there was a misinterpretation, but it was a minor one and was corrected right away.

The CHAIRMAN. With that exception then of this special radar that was being misused, you didn't have any other suspicions that the 7th Air Force was striking unauthorized targets?

Admiral MOORER. None whatever, sir. And I don't think there is anything in these reports that would cause me to have any suspicion.

I should point out that when General Ryan informed me of these letters he received and the fact that he had ordered his

Inspector General to go to Southeast Asia, I was concerned about this and in order to be sure what the interpretation was, that it was correct, and that the order was clear, I sent General Pauly to Southeast Asia to go aboard our carriers because they are also conducting air operations under the same identical rules, and I wanted to cover all aircraft in Southeast Asia, not only the 7th Air Force that General Ryan was inspecting, but I wanted to inspect the Navy, too, to be sure that they had not misinterpreted the intent of the directive, that the directive was in fact clear. And so I have been looking into this continuously in terms of the reporting system—by sending one of my key officers out to take a look, by talking to Admiral McCain about this problem, and we are still in the process of trying to analyze and evaluate and improve the reports, if we can, so that we can properly monitor these things.

ROUTINE 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 therein limited to 3 minutes.

U.S. BOMBING OF VIETNAM MOST SHAMEFUL CHAPTER IN AMERICAN HISTORY

Mr. PROXMIRE. Mr. President, the Senator from Iowa has just given a very, very important speech. I certainly hope Senators will have an opportunity to review it in the RECORD. It is most significant, and I think its importance will become more apparent as the Abrams nomination and other military nominations come before this body.

I speak now on another very closely related subject.

Mr. President, the U.S. part in the Vietnam war has in the last few weeks become outrageous. Every day the headlines in our papers tell us that this country is carrying on the biggest bombing raids in the history of the war on North and South Vietnam. Literally millions of tons of death are being rained down on those pitiful little countries by the most powerful air force in the history of the world.

Mr. President, this just has to be the sorriest most shameful chapter in the history of this great and gallant country we love. There was a time when the Vietnam war made some sense—to some of us. We were opposing a Communist aggression that could result in Red Chinese takeover of Asia. We were fulfilling our obligations under the protocol of the SEATO treaty. That obligated our defense of South Vietnam. I supported the war. The war may have been wrong then and I may have been wrong to support it. I have opposed the war for the past 5 years.

And Mr. President, that war has certainly become wrong and evil now. This country has fulfilled its obligations under the SEATO pact with 50,000 dead Americans and more than $100 billion. And Communist aggression? Let us stop kidding ourselves.

Peking is out of the Vietnam war. There has not been a single Chinese or Russian soldier in combat in Vietnam throughout the war. Not a single Chinese or Russian bomber pilot has dropped even a 1-pound bomb in this war.

Sure we have withdrawn our troops, but from the skies 6 miles above Vietnam we are raining down a concentration of lethal, terrible death and destruction—day after day as never before. I repeat, as never before. It is killing hundreds of Vietnamese—many of them innocent. If the Mylai massacre was wrong, what is it when a B–52 drops tons of bombs in populated areas, killing scores of helpless women and children and babies, and when this slaughter is planned and directed by the top officials of this Government?

Mr. President, the time has come to ask what the hell are we doing out there? Yes American ground combat troops are away from it all. Draftees no longer go to Vietnam unless they ask for it. Our casualties are way down. And this has worked political magic for this administration. Sam Lubell one of the best public opinion experts in the country says that the American people now want us to finish off North Vietnam with our bombing attack. Now that most of the American boys are safe, the American people may well support this tragic, shameful, senseless rain of death and destruction on a little primitive country. Well, if they do they are wrong.

Just for one night every American father and mother should look at his own children as they sleep peacefully and quietly in their safe and secure home, and then think of the Vietnamese children who are being killed and maimed for life by the hundreds with American bombs every day and every night. For what? For what?

What in hell are we trying to accomplish? No one, I repeat, no one thinks this war is now preventing a potential Red Chinese takeover of Asia. Does little North Vietnam with her 17 million people, her pathetic bicycle and wagon economy represent a threat to America? Do not be silly.

Let us face it. We, the Congress and the administration, are carrying on this war because we want to save face. Somehow too many of us think that if we can bomb North Vietnam into acceptance of our terms that will constitute victory. America will have won. Our moral purpose will have been vindicated. Those who supported the war to the end will be proven right.

Mr. President, this is nonsense. The American people are going to be deeply shamed by this war. History will find that in the glorious record of this country—a record which the poet, Archibald MacLeish, once said is honored by the fact that America has always fought its wars in the name of freedom and to establish, preserve, and protect freedom. Well, this chapter of the Vietnam war—this appalling repetition of scores of new Mylai cases every day—will make this Congress and this administration the most shameful in our history.

Mr. President, I yield the floor.

AMERICAN BAR ASSOCIATION SUPPORTS THE TREATY AND THE INTERIM AGREEMENT ON LIMITATION OF STRATEGIC WEAPONS

Mr. MANSFIELD. Mr. President, I have received today in the form of a telegram, in my capacity as majority leader of the Senate, a resolution from Mr. Kenneth J. Burns, Jr., secretary of the American Bar Association. I shall not read the wherefores nor all of the resolves, but the telegram concludes as follows:

Be it further resolved, that the President or his designee be authorized to appear before the appropriate committees of the Congress in support of such action; and

Be it further resolved, that the American Bar Association urges the Government of the United States to seek promptly to reach agreement with the Soviet Union on further measures limiting and reducing strategic offensive arms, and on general and complete disarmament, in accordance with the provisions of the preamble and Article XI of said treaty and of Article VII of said interim agreement.

Mr. President, I ask unanimous consent that the telegram setting forth the resolution adopted by the American Bar Association on Wednesday last be printed in the RECORD at this point.

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

SAN FRANCISCO, CALIF.,
August 17, 1972.

HON. MIKE MANSFIELD,
Majority Leader of the Senate,
Capitol Hill,
Washington, D.C.:

On Wednesday afternoon, August 16, 1972, the House of Delegates of the American Bar Association adopted the following resolutions:

Whereas, the United States has undertaken by the terms of Article VI of the Non-Proliferation Treaty of 1968, to which it is a party to "pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control", and expressed a similar intention in the preamble of the Limited Test Ban Treaty of 1963; and

Whereas, it has for some years been a major objective of the United States to reduce the risk of military confrontation with the Soviet Union, particularly if involving the use of strategic or nuclear weapons; and

Whereas, it has also been a major objective of the United States to slow down and arrest the escalation of armaments, in particular in the field of strategic weapons; and

Whereas, the needs of the people, in the United States and elsewhere, require the allocation of greater financial and other resources, some of which might not be available if increased military expenditures occur; and

Whereas, the United Nations and various of its committees have for many years urged strategic nuclear arms control and disarmament measures; and

Whereas, the United States and the Soviet Union have sought since 1967 to begin negotiations on agreements to limit strategic weapons, and began such negotiations in November 1969, and have reached certain agreements expressed in a proposed treaty and interim agreement. Both signed in Moscow on May 26, 1972, by President Nixon and General Secretary Brezhnev; and

Whereas, the Senate, on August 3, 1972,

advised and consented to the ratification of the said treaty; and

Whereas, negotiations on further agreements will be facilitated by approval by the Congress of the said interim agreement as well; and

Therefore, be it resolved, that the American Bar Association urges the Senate and House of Representatives to authorize approval by the President of the United States of the interim agreement on certain measures with respect to the limitation of strategic offensive arms, and the associated protocol, all of which were signed at Moscow on May 26, 1972 by President Nixon and General Secretary Brezhnev; and

Be it further resolved, that the president or his designee be authorized to appear before the appropriate committees of the Congress in support of such action; and

Be it further resolved, that the American Bar Association urges the government of the United States to seek promptly to reach agreement with the Soviet Union on further measures limiting and reducing strategic offensive arms, and on general and complete disarmament, in accordance with the provisions of the preamble and article XI of said treaty and of article VII of said interim agreement.

KENNETH J. BURNS, Jr.,
Secretary of the American Bar Association.

LEAVE OF ABSENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, on the basis of a long standing official engagement, the distinguished Senator from Iowa (Mr. HUGHES) be authorized to be absent from the Senate on official business from September 5, when we return after the recess, through September 9, 1972.

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

THE RETIREMENT OF GENERAL LAVELLE

Mr. HARRY F. BYRD, JR. Mr. President, the distinguished Senator from Iowa, in his remarks a few moments ago, mentioned the matter of General Lavelle. I do not wish to prejudge that case. General Lavelle will come before the Senate Armed Services Committee, and any comments that I make this morning should not be construed as either favorable or unfavorable to General Lavelle.

But there was one point in the remarks of the able Senator from Iowa that caught my attention. I want to comment on it this morning and ask the Senator from Iowa a question.

Did I correctly understand the Senator from Iowa to say that General Lavelle received from the Army a disability discharge, which tends to increase his retirement pay, a week or 2 weeks after having passed a medical examination for flight pay, which itself tends to increase an officer's pay?

Mr. HUGHES. If the Senator from Virginia will yield for response, the Senator from Iowa did not say 1 or 2 weeks. The Senator from Iowa stated a few weeks after a physical examination, had certified the general as flight qualified. The Senator from Iowa does not have the specific facts before him to say just at what date the general was certified and what date physical disability was certified.

I certainly want to join the distinguished Senator from Virginia in saying that the statement I have made here is not a judgment of the physical disability of General Lavelle in any sense whatsoever, because the Senator from Iowa has no formal documents as to the physical ability or disability of General Lavelle, only news reports as to what Air Force spokesmen have said—that General Lavelle was flight-qualified at the time of his retirement.

Mr. HARRY F. BYRD, JR. I thank the Senator from Iowa.

The point I am suggesting this morning is that perhaps the Armed Services Committees of Congress should look into the matter of how flight pay is handled and how disability is being determined. As we know, if an officer is qualified for flight pay, he receives additional compensation; and if he is discharged for physical disability, he receives a tax advantage on his retirement pay.

So I think that perhaps the appropriate committees of Congress would do well to delve a little into how these matters are being handled in the Defense Department, to be sure that those officers who are entitled to flight pay are, indeed, qualified for the work for which they are receiving additional pay, and, by the same token, that those officers who are being retired for disability are, in fact, entitled to such a discharge, which gives to that officer a very desirable tax advantage on his retirement pay.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. TUNNEY) laid before the Senate the following letters, which were referred as indicated:

REPORT ON CHEMICAL WARFARE AND BIOLOGICAL RESEARCH PROGRAMS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, a secret semi-annual report on chemical warfare and biological research programs (with an accompanying report); to the Committee on Armed Services.

REPORT OF THE SECRETARY OF THE SENATE

A letter from the Secretary of the Senate, transmitting, pursuant to law, a statement of the receipts and expenditures of the Senate, from January 1, 1972, through June 30, 1972 (with an accompanying report); ordered to lie on the table and to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BENNETT, from the Committee on Finance, with amendments:

H.R. 11185. An act to amend the Internal Revenue Code of 1954 with regard to the exempt status of veterans' organizations (Rept. No. 92-1082).

By Mr. MANSFIELD (for Mr. CANNON), from the Committee on Commerce, with amendments:

S. 2741. A bill to amend the act of September 7, 1957, authorizing aircraft loan guarantees, in order to expand the program pursuant to such act (Rept. No. 92-1083).

By Mr. RANDOLPH, from the Committee on Public Works:

S. 3939. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes (Rept. No. 92-1081). Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. RANDOLPH. Mr. President, I report an original bill from the Committee on Public Works to authorize appropriations for the construction of certain highways in accordance with title 23, United States Code and for other purposes. I ask unanimous consent that the committee have until midnight tongiht to file the report.

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

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the bill be referred to the Committee on Banking, Housing and Urban Affairs for their consideration of that portion of paragraph 3 of section 105 requiring that at least $300 million of funds authorized for fiscal years ending June 30, 1974, and June 30, 1975, be used for highway public transportation in urbanized areas, and of those provisions of section 128 of the bill authorizing the purchase of passenger equipment other than rolling stock for fixed rail, and that the Committee on Banking, Housing and Urban Affairs have until the close of business on Friday, September 8, 1972, to act on this referral.

The PRESIDING OFFICER. Is there objection?

Mr. RANDOLPH. Mr. President, the able chairman of the committee to which the referral would be made is in the Chamber. We have discussed this matter, and perhaps with the understanding of the Senator from Alabama, he would allow his colleague just for a moment to engage in a colloquy.

Mr. ALLEN. Yes, Mr. President, I yield under the same understanding as before.

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

Mr. SPARKMAN. Mr. President, let me say we have worked out an agreement as stated by the chairman of the Public Works Committee. It is our plan in the committee to hold hearings on September 7, and we have assured the chairman that we would complete action on the bill during that week.

Of course, the 7th is Thursday. The chairman requested until Friday. I suppose if there is a legislative session on Saturday, we could act then. However, I have no doubt but that we will be able to report it back on the 8th, as the chairman has requested.

Mr. President, I have no objection.

Mr. RANDOLPH. Mr. President, I thank my colleague from Alabama, the able chairman of the committee, and if no action has been taken on the unanimous-consent request for referral, I ask unanimous consent that the question be put.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. LONG, from the Committee on Finance:

James E. Smith, of Virginia, to be a Deputy Under Secretary of the Treasury.

By Mr. BENNETT, from the Committee on Finance:

Cynthia Holcomb Hall, of California, to be a judge of the U.S. Tax Court.

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. PERCY (for himself and Mr. TAFT):

S. 3936. A bill to amend title III of the Trade Expansion Act of 1962 so as to provide more effective adjustment assistance thereunder, and for other purposes. Referred to the Committee on Finance.

By Mr. MATHIAS:

S. 3937. A bill to amend the act of August 4, 1950 (64 Stat. 411), to provide salary increases for members of the police force of the Library of Congress. Referred to the Committee on Rules and Administration.

By Mr. HART (for himself and Mr. BURDICK):

S. 3938. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to permit the disposal of surplus property, both real and personal, to Indian, Eskimo, or Aleut tribes, bands, groups, pueblos, and communities recognized by the Federal Government, and for other purposes. Referred to the Committee on Government Operations.

By Mr. RANDOLPH (from the Committee on Public Works):

S. 3939. A bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. SPARKMAN (for himself, and Mr. ALLEN):

S. 3940. A bill to amend the black lung benefits provisions of the Federal Coal Mine Health and Safety Act of 1969 to extend those benefits to miners who incur silicosis in iron mines and surface coal mines. Referred to the Committee on Labor and Public Welfare.

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

S. 3941. A bill to establish Capitol Hill as a historic site. Referred to the Committee on Public Works.

By Mr. GRAVEL:

S. 3942. A bill for the relief of Clifford and Yvonne Gibbons. Referred to the Committee on the Judiciary.

S. 3943. A bill to amend the Public Buildings Act of 1959, as amended, to provide for the construction of a civic center in the District of Columbia, and for other purposes. Referred to the Committee on Public Works.

By Mr. ROBERT C. BYRD (for himself and Mr. RANDOLPH):

S. 3944. A bill to provide for repair and conversion to a fixed-type structure of dam numbered 3 on the Big Sandy River, Kentucky, and West Virginia, in the interest of water supply and recreation for local interests. Referred to the Committee on Public Works.

By Mr. BUCKLEY:

S.J. Res. 262. A joint resolution to provide for the designation of the week which begins on September 24, 1972, as "National Microfilm Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY (for himself and Mr. TAFT):

S. 3936. A bill to amend title III of the Trade Expansion Act of 1962 so as to provide more effective adjustment assistance thereunder, and for other purposes. Referred to the Committee on Finance.

TRADE ADJUSTMENT ASSISTANCE ACT OF 1972

Mr. PERCY. Mr. President, the world has experienced in the past 40 years the effect of restrictive trade policies, closed markets and nationally oriented economies. In 1934, the United States realized the need to encourage cooperative commercial ventures by enacting the Reciprocal Trade Act. This legislation was the first in a long line of trade bills which have recognized that American prosperity and security rely on the health of the world economy. Neither domestic nor international events can be so serious as to require the United States to close its markets and curtail its international relationships. This tenet has been the foundation of U.S. economic policies for more than three decades.

The Trade Expansion Act of 1962 was a further evolution of this policy. The bill authorized tariff reductions of up to 50 percent on many goods; the Kennedy round of negotiations, which was the embodiment of this authorization, subsequently produced an important international commercial agreement. Its goal was to stimulate U.S. economic growth with increased sales abroad and strengthened economic relations with foreign countries.

The 1962 Trade Act was significant for another reason. It recognized that a lowering of tariff barriers would possibly cause economic hardships to some sectors of the economy. The sudden removal or reduction of the protective wall could have adverse effects on firms and workers which had not previously felt the full force of competition. The philosophy of the Trade Act was that all segments of the American economy would benefit from duty reductions and it was therefore the Nation's responsibility to share in the cost of compensating injured workers and firms for any dislocations which would result. Uncompetitive firms and workers should not have to bear unassisted the burden of economic adjustment stemming from the implementation of a freer trade policy.

Thus the 1962 Trade Act introduced a program of adjustment assistance for those firms and workers injured by increased imports that result from tariff concessions. Various European nations had practiced adjustment assistance for many years, successfully guiding the retraining of workers and the modernizing of outdated facilities. As the Secretary of Commerce said when the TEA was sent to Congress, the assistance was not to be "an indemnity or a franchise to remain noncompetitive."

The rigid requirement in the 1962 act that firms and workers show that injuries are related to tariff concessions resulted in negative findings by the Tariff Commission. No adjustment assistance was offered until 1969, when the Tariff Commission began to reinterpret the eligibility criteria. This reinterpretation was not, however, the broad revision which the Trade Act needed in order to make it effective. Labor organizations and businesses who were facing tough, damaging import competition had already come to distrust this adjustment program, which failed to offer any effective assistance. Because of their experience with the Trade Act's adjustment assistance provision, many of those who have grievances have become convinced that protectionist legislation or restrictive international trade arrangements are the only meaningful alternatives available to deal with damaging foreign imports.

For the purpose of providing a workable alternative to protectionist restrictions on international trade, I am introducing today the Trade Adjustment Assistance Act of 1972. In my opinion, this bill is a reasonable, responsive means of making adjustment assistance a workable answer to the dislocations caused by imports.

The bill would amend title III of the 1962 Trade Expansion Act, a section which deals wholly with tariff adjustment, and adjustment assistance.

Whereas the scope of assistance in the 1962 bill—and in subsequent attempts to amend it—has been limited to firms and worker groups, the Adjustment Assistance Act would permit new groups to apply for help. Communities would for the first time be eligible, as would cooperative firm-worker, firm-community, and worker-community groups. This is in recognition of the dislocation which communities can and have experienced if they are dependent on one firm which is seriously affected by increased imports. In my own State of Illinois, several small towns in the southern part of the State have experienced great hardships because of the demise of shoe factories, upon which much of the towns' populations were economically dependent. If enacted as law the Trade Adjustment Assistance Act I am proposing would have assisted in modernization of the industries and retraining of the workers, and would have lightened the adjustment burden on the communities themselves.

This bill would encourage cooperative firm-worker, firm-community, and worker-community petitions and adjustment proposals. This integrated effort to apply for and use the adjustment assistance would speed the readjustment for all concerned parties. This principle was endorsed in the report of the President's Commission on International Trade and Investment Policy, the "Williams Commission" and in Peter G. Peterson's report titled "Foreign Economic Perspective of December 1971."

The bill also makes needed changes in the criteria and in the process for receiving adjustment assistance. First, the criteria for receiving assistance are liberal-

ized by eliminating the requirement that injury-creating imports must result from tariff cuts, and by requiring that imports need only be a substantial cause of injury. The idea of breaking the causal link between tariff cuts and increased imports has been widely accepted since the passage of the 1962 Trade Act. This change was proposed in the 1968 Trade Expansion Act drafted by the Johnson administration, in the 1970 Trade Act proposed by President Nixon, and in the International Trade Act of 1971 introduced by Senators Harris and a group of other Senators. The concept was also advocated in the 1971 Williams Commission study and in former Ambassador William M. Roth's 1969 report to the President, Future United States Foreign Trade Policy.

Secondly, the Tariff Commission will become an investigative body only, as sugested in the 1968, 1970, and 1971 trade bills. Application for adjustment assistance will be made to the President. The modification of these sections provides firms, workers and communities with a more accessible application procedure, one that is not an insurmountable hurdle, as in the past, but one that makes reasonable demands that injury is substantial and is the result of imports and not of other factors.

This easing of the adjustment assistance requirement does not, however, apply to petitions for tariff adjustment. The basic tenet of the 1962 Trade Act is respected that tariffs should be raised to protect domestic industry only in exceptional and critical cases, and that assistance to help the adjustment of the domestic industry is the preferred remedy.

In instances where tariff adjustment is sought, the Trade Adjustment Assistance Act provides that increased imports must be shown in the primary cause or threat of injury, and firms must submit detailed plans of the actions they will take to become more competitive during the period for which they are protected. The 1962 Act also tied tariff adjustment to trade agreements concessions. With the elimination of this criterion in the 1972 Trade Adjustment Assistance Act, a new test is required which would allow only those critical cases which result primarily from imports to be eligible for tariff action. This differs from the adjustment assistance criteria which require only a substantial increase in imports to qualify for benefits. Under the 1962 Trade Act, the Tariff Commission makes annual reports to the President on tariff adjustment cases. The Trade Adjustment Assistance Act of 1972 would in addition require the Commission to: First, suggest whether adjustment assistance is a more appropriate remedy and second, find the probable effect of a tariff increase on consumers and exporters. Firms applying for a renewal of tariff protection must report on the efforts and progress they have made in their attempts to become competitive. These provisions will attempt to insure that firms actually use the protection to attempt to adjust to import competition and that a tariff increase does not have adverse effects on other economic groups, particularly consumers.

The adjustment assistance program has proven to be extremely slow in the delivery of benefits, as recognized in the Roth Report, the Williams Commission Report, and the Peterson Report. Delivery has been delayed by as much as 2 years in some cases, negating the intended effectiveness of the adjustment program. To assure a minimum of hardship, this bill imposes time limits throughout the determination process.

After an application has been investigated by the Tariff Commission, approved by the President, and certified by the Secretary of Labor or Commerce, the next step is the awarding of assistance. This is based on the recognition that the firm is the "engine of economic adjustment" and that all sectors have an interest in the restoration of its vitality. The technical, tax and financial assistance presently provided by the 1962 act will be supplemented with interim assistance—a Williams Commission innovation. This interim assistance consists of low-interest loans, tax credits, and grants to firms while they await delivery of their benefits. Firms are encouraged to take initiatives toward readjustment themselves. The Federal guarantee of loans is raised from 90 to 100 percent if firms take substantial measures to assist their own adjustment.

The assistance offered workers has become woefully inadequate in the decade since the 1962 Trade Act was passed. Federal and State unemployment benefits have been upgraded to correspond to cost-of-living increases. To become more consistent with these, the trade readjustment allowance in this bill is raised from 65 percent of the average manufacturing wage to 80 percent. This also acknowledges that an impacted worker should be able to receive a decent percentage of his own wage rather than, as presently provided, a percentage of a national average wage. Under present law the worker is obligated to take the lesser of the two sums, and can consequently be placed in a difficult financial position.

Under the Trade Adjustment Assistance Act of 1972 workers are encouraged to seek retraining. Workers who find assistance from other manpower development services—such as State unemployment and retraining programs—will now be eligible to receive a total of 100 percent—rather than 75 percent—of their former wage. This means, for example, that a worker receiving a State retraining allowance equal to 80 percent of his former wage will be eligible for a Federal allowance of 20 percent of his former wage. This Federal contribution is reduced as the worker approaches his previous wage level. Otherwise, the adjustment allowance continues throughout the period of retraining.

Eligible workers over 60 years of age often find reemployment and retraining difficult to obtain. They should receive adjustment assistance benefits until the time they qualify for social security. The bill I am introducing today provides for such assistance.

The new chapter concerning community adjustment would be administered by the Secretary of Commerce. Communities dependent on a firm which faces hardships due to increased imports would be eligible for adjustment assistance if their proposals would contribute to economic adjustment, give consideration to the workers and the firm, and importantly, demonstrate the efforts of the community to use its own resources. Community adjustment can take the form of industrial diversification, improvement of transportation facilities, and other projects related to the encouragement of industry.

In an effort to assure that consumers are not seriously and adversely affected by adjustment actions, the Trade Adjustment Assistance Act of 1972 makes a provision for the protection of consumers. The economic effects of increased tariffs and of international orderly marketing agreements on consumers must be annually investigated by the Tariff Commission and reported to the President. The price and availability of articles being protected must be considered. The Tariff Commission shall also have the responsibility of recommending reduction or removal of a duty, should it be found to be having a substantially adverse effect on consumers.

Finally, Mr. President, I have included a provision for eventual coordination of this adjustment assistance program. The lack of direction in this area is a serious handicap to the entire program. No governmental agency or department now in existence can fairly and adequately administer all aspects of the assistance programs. This bill, therefore, simply recommends inclusion of a coordinating body at the time of the creation of a Cabinet-level Department of Economic Affairs, such as is provided in S. 1433.

The Trade Adjustment Assistance Act of 1972 is in the best tradition of American trade policy. It provides adequate benefits to those workers, firms, and communities affected by trade dislocations. It makes the substantive alterations which will help American industry and agriculture, relieves them of the complete readjustment which may be involved in a free exchange of goods and services and facilitates the movement of capital and labor into more efficient uses. The provisions included here will reinforce the U.S. commitment to an open world economy and discourage those who would seek to discredit the progress of the past four decades. It is in answer to the competition we meet now on various levels and in various markets and preserves the driving competitive philosophy of the American economy.

I ask unanimous consent that the text of the Trade Adjustment Assistance Act of 1972 be printed at this point in the RECORD.

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

S. 3936

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 "Trade Adjustment Assistance Act of 1972."

SEC. 2. Section 301 of the Trade Expansion Act of 1962 (19 U.S.C. 1901) is amended to read as follows:

"SEC. 301. PETITIONS AND DETERMINATIONS.

"(a)(1) A petition for tariff adjustment under section 351 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

"(2) A petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the President by a firm or its representative, by a duly authorized joint firm-worker representative, by a duly authorized community representative, or by a duly authorized joint firm-community representative. A petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the President by a group of workers or by their certified or recognized union or other duly authorized representative. A petition for a determination of eligibility to apply for adjustment assistance under chapter 4 may be filed with the President by a community or its representative.

"(3) Whenever a petition is filed under paragraph (1), the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

"(b)(1) Upon request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Tariff Commission shall promptly make an investigation to determine whether increased quantities of imports of an article directly competitive with an article produced by a domestic industry have been the primary cause or threat of serious injury to such industry. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment, and detailed plans, submitted by the firm, for use of time requested.

"(2) For purposes of paragraph (1), the term 'domestic industry' means that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive articles in commercial quantities. In applying the preceding sentence, the Tariff Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive articles referred to in such sentence from the operations of such organizations involving other articles.

"(3) If a majority of the Commissioners present and voting make an affirmative determination under paragraph (1), the Commissioners voting for such affirmative injury determination shall also determine the amount of increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury. For purposes of this title, a remedy determination by a majority of the Commissioners voting for the affirmative injury determination shall be treated as the remedy determination of the Tariff Commission.

"(4) In the course of any proceeding initiated under paragraph (1), the Tariff Commission shall investigate any factors which in its judgment may be contributing to increased imports of the article under investigation; and whenever in the course of its investigation the Tariff Commission has reason to believe that the increased imports are attributable in part to circumstances which come within the purview of the Antidumping Act, 1921, section 303 or 337 of the Tariff Act of 1930, or other remedial provisions of law, the Tariff Commission shall promptly notify the appropriate agency and take such other action as it deems appropriate in connection therewith.

"(5) In the course of any proceeding initiated under paragraph (1), the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to present evidence, and to be heard at such hearings.

"(6) The Tariff Commission shall report to the President the determinations and other results of each investigation under this subsection, including any dissenting or separate views, and any action taken under paragraph (4).

"(7) The report of the Tariff Commission of its determinations under this subsection shall be made at the earliest practicable time, but not later than 4 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

"(8) No investigation for the purposes of this subsection shall be made, upon petition filed under subsection (a)(1), with respect to the same subject matter as a previous investigation under this subsection, unless 1 year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

"(c)(1) In the case of a petition by or on behalf of a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the President shall determine whether increased quantities of imports of an article like or directly competitive with an article produced by the firm have been a substantial cause or threat of serious injury to such firm.

"(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the President shall determine whether increased quantities of imports of an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, have been a substantial cause or threat of unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

"(3) In the case of a petition by a community for a determination of eligibility to apply for adjustment assistance under chapter 4, the President shall determine whether increased quantities of imports of an article like or directly competitive with an article produced by a firm in such community have been a substantial cause or threat of serious injury to such firm and hence to the economic base of the community.

"(4) In order to assist him in making the determinations referred to in paragraphs (1), (2), and (3) with respect to a firm, group of workers, or community, the President shall promptly transmit to the Tariff Commission a copy of each petition filed under subsection (a)(2) and, not later than 5 days after the date on which the petition is filed, shall request the Tariff Commission to conduct an investigation relating to questions of fact relevant to such determinations and to make a report of the facts disclosed by such an investigation. In his request, the President may specify the particular kinds of data which he deems appropriate. Upon receipt of the President's request, the Tariff Commission shall promptly publish notice thereof in the Federal Register.

"(5) In the course of any investigation under paragraph (4), the Tariff Commission shall, after reasonable notice, hold a public hearing, if such hearing is requested (not later than 10 days after the date of publication of its notice under paragraph (4)) by the petitioner or any other interested person, and shall afford interested persons an opportunity to be present, to produce evidence, and to be heard at such hearing.

"(6) The report of the Tariff Commission of the facts disclosed by its investigation under paragraph (4) with respect to a firm, group of workers, or community shall be made at the earliest practicable time, but not later than 60 days after the date on which it receives the request of the President under paragraph (4).

"(d) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury as well as the appropriateness of adjustment assistance to remedy such injury and shall include such finding in its report to the President. In addition, the Tariff Commission shall find the probable effect of such increase or imposition upon consumers, including the price and availability of such article and the like or directly competitive article produced in the United States.

SEC. 3. (a) Section 302 of the Trade Expansion Act of 1962 (19 U.S.C. 1902) is amended by striking out "DETERMINATION" in the heading of such section and inserting in lieu thereof "REPORTS".

(b) Section 302(a) of such Act is amended by striking out "or" at the end of paragraph (3), and by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) provide, with respect to such industry, that the affected communities may request the Secretary of Commerce for certification of eligibility to apply for adjustment assistance under chapter 4, or

"(5) take any combination of such actions."

(c) Section 302(b) of such Act is amended to read as follows:

"(b)(1) Within thirty days after receiving a request for certification from a firm in an industry with respect to which the President has acted under (a)(2), the Secretary of Commerce shall certify such firm as eligible to apply for adjustment assistance under chapter 2 unless he makes a determination that the increased quantities of imports have not been a substantial cause or threat of serious injury to such firm. Any such determination shall be supported by written findings of fact and shall be issued within thirty days after receipt of the initial request for certification unless, within that period, the Secretary notifies the firm that he requires it to submit additional information in order to enable him to resolve specific questions as to the firm's eligibility, in which event he shall issue his decision as to eligibility within fifteen days after receiving such information.

"(2) Within thirty days after receiving a request for certification from a group of workers in an industry with respect to which the President has acted under (a)(3), the Secretary of Labor shall certify such group of workers as eligible to apply for adjustment assistance under chapter 3 unless he makes a determination that the increased quantities of imports have not been a substantial cause or threat or unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof. Any such determination shall be supported by written findings of

fact and shall be issued within 30 days after receipt of the initial request for certification unless, within that period, the Secretary notifies the group of workers that he requires it to submit additional information in order to enable him to resolve specific questions as to the group of workers' eligibility, in which event he shall issue his decision as to eligibility within fifteen days after receiving such information.

"(3) Within 30 days after receiving a request for certification from a community affected by an industry with respect to which the President has acted under (a)(4), the Secretary of Commerce shall certify such community as eligible to apply for adjustment assistance under chapter 4 unless he makes a determination that the increased quantities of imports have not been a substantial cause or threat of serious injury to the economic base of such community. Any such determination shall be supported by written findings of fact and shall be issued within 30 days after receipt of the initial request for certification unless, within that period, the Secretary notifies the community that he requires it to submit additional information in order to enable him to resolve specific questions as to the community's eligibility, in which event he shall issue his decision as to eligibility within 15 days after receiving such information."

(d) Secton 302(c) of such Act is amended to read as follows:

"(c)(1) In the case of any petition for adjustment assistance filed under section 301(c), the President shall make his determination at the earliest practicable time after receiving the report of the Tariff Commission of the facts disclosed by its investigation under section 301(c)(4), but not later than 30 days after the date on which he receives such report, unless within such 30-day period, he requests additional factual information from the Tariff Commission. If the President requests such additional factual information, the Tariff Commission shall, not later than 25 days after the date on which it receives the President's request, furnish such additional factual information in a supplemental report, and the President shall make his determination not later than 15 days after the date on which he receives such supplemental report.

"(2) The President shall promptly publish in the Federal Register a summary of each determination under section 301(c) with respect to any firm, group of workers, or community.

"(3) If the President makes an affirmative determination under section 301(c) with respect to any firm, group of workers, or community, he shall promptly certify that such firm, group of workers, or community is eligible to apply for adjustment assistance.

"(4) The President is authorized to exercise any of his functions with respect to determinations and certifications of eligibility of firms, workers, or communities to apply for adjustment assistance under section 301 and this section through such agency or other instrumentality of the United States Government as he may direct."

SEC. 4. (a) Section 311(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1911) is amended by striking out the second sentence and inserting in lieu thereof the following: "Within a reasonable time after filing its application, the firm, the firm-worker group, or the firm-community group, shall present a proposal for the economic adjustment of the firm."

(b) Section 311(b)(2) of such Act is amended by striking out "actions taken in carrying out trade agreements" and insert- amended by striking out "by the increased imports".

(c) Section 311 of such Act is amended by redesignating subsection (d) as (f), and by inserting after subsection (c) the following new subsections:

"(d) Immediately after the certification by the Secretary of Commerce, the firm shall be eligible for interim assistance (between approval and delivery of assistance). Such interim assistance may consist of low-interest loans, tax credits, and grants.

"(e) Certification procedures and forms prescribed by the Secretary of Commerce pursuant to this section shall be designed to simplify and expedite the provision of adjustment assistance to firms."

SEC. 5. Section 315(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1915) is amended by inserting after "90 percent" the following: "(or, if the Secretary determines that the firm has already taken substantial measures to assist its own economic adjustment, 100 per cent)".

SEC. 6. Section 317(a)(2) of the Trade Expansion Act of 1962 (19 U.S.C. 1917) is amended by strikng out "by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements" and inserting in lieu thereof "by the increased quantities of imports identified by the Tariff Commission under section 301(b)(1) or by the President under section 301(c)(1), as the case may be".

SEC. 7. Section 321 of the Trade Expansion Act of 1962 (19 U.S.C. 1931) is amended by inserting "(a)" immediately before "The", and by adding at the end thereof the following new subsection:

"(b) Procedures and forms prescribed by the Secretary of Labor pursuant to this section shall be designed to simplify and expedite the provision of adjustment assistance to workers."

SEC. 8. Section 322 of the Trade Expansion Act of 1962 (19 U.S.C. 1941) is amended—

(1) by striking out subsection (c), and

(2) by striking out "subsections (b) and (c)" in subsection (a) and inserting in lieu thereof "subsection (b)".

SEC. 9. (a) Section 323 (a) of the Trade Expansion Act of 1962 (19 U.S.C. 1942) is amended by striking out "65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less" and inserting in lieu thereof "80 percent of his average weekly wage".

(b) Section 323(e) of such Act is amended to read as follows:

"(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such a week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance—

"(1) would be less than 100 percent of his average weekly wage, his trade readjustment allowance shall be increased by the amount of such deficiency, or

"(2) would exceed 100 percent of his average weekly wage, his trade readjustment allowance shall be reduced by the amount of such excess."

SEC. 10. Section 324 of the Trade Expansion Act of 1962 (19 U.S.C. 1943) is amended to read as follows:

"SEC. 324. PERIOD OF PAYMENT OF TRADE READJUSTMENT ALLOWANCES.

"(a) Payment of trade readjustment allowances shall be made to an adversely affected worker for the entire period of his retaining to assist him in the completition of that retaining as approved by the Secretary of Labor.

"(b) Payment of a trade readjustment allowance shall be made to an adversely affected worker who has attained the age of 60 years for the period of time until he qualifies for social security payments, or until he has been relocated in suitable employment."

SEC. 11. Section 326 of the Trade Expansion Act of 1962 (19 U.S.C. 1951) is amended to read as follows:

"SEC. 326. IN GENERAL.

"(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services and supportive and other services provided for under any Federal law. Qualified workers should be provided the opportunity to pursue further training in technical, professional, and academic areas, as well as in vocational areas. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 per diem; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

"(b) To the extent practicable, the Secretary of Labor shall encourage joint firm-worker adjustment assistance proposals, as well as joint community-firm proposals, for the expedition of retraining and readjustment. Lacking such a coordinated effort, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such a firm, in order to preserve or restore the employment relationship between the workers and the firm."

SEC. 12. Section 328 of the Trade Expansion Act of 1962 (19 U.S.C. 1961) is amended to read as follows:

"SEC. 328. RELOCATION ALLOWANCES AFFORDED.

"Any adversely affected worker who has been separated or has voluntarily separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter."

SEC. 13. Section 330(2) of the Trade Expansion Act of 1962 (19 U.S.C. 1963) is amended to read as follows:

"(2)(A) a lump sum equivalent to two and one-half times the average weekly manufacturing wage, or (B), in the case of an adversely affected worker who cannot obtain adequate information and assistance through public employment services, a low-interest loan in such amount as is reasonable and necessary under regulations prescribed by the Secretary of Labor (but not less than the amount specified in clause (A)), repayment of which shall be waived if the worker actively seeks and locates employment within a reasonable period."

SEC. 14. Section 331(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1971) is amended to read as follows:

"(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States Government, will receive applications for, and will promptly provide, assistance on the basis of this chapter, (2) will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, placement services, and supportive and other services, and (3) will otherwise co-operate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter."

SEC. 15. Section 338 of the Trade Expan-

sion Act of 1962 (19 U.S.C. 1978) is amended—

(1) by striking out paragraph (3).

(2) by inserting the following fourth sentence in paragraph (4):

"For purposes of this paragraph, the Secretary of Labor is authorized to issue regulations providing that the term 'total wages' may include the monetary equivalent of insurance, retirement, and other benefits obtained in addition to wages."

(3) by inserting after "severance" in paragraph (11) "(including voluntary severance)", and

(4) by striking out "75 percent" in paragraph (14) and inserting in lieu thereof "100 percent".

SEC. 16. Title III of the Trade Expansion Act of 1962 is amended by renumbering chapters 4 and 5 as chapters 5 and 6, respectively, and by inserting after chapter 3 the following new chapter:

"Chapter 4—ASSISTANCE TO COMMUNITIES

"SEC. 339. AUTHORITY.

"The Secretary of Commerce shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

"SEC. 340. QUALIFYING REQUIREMENTS.

"(a) A community certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the community shall present a proposal, either separately or in conjunction with a firm or a group of workers, or both, for its economic adjustment.

"(b) Adjustment assistance under this chapter consists of technical assistance and financial assistance. Except as provided in subsection (c), no adjustment assistance shall be provided to a community under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

"(1) to be reasonably calculated materially to contribute to the economic adjustment of the community,

"(2) to give adequate consideration to the interests of the communities' workers and firms adversely affected by substantially increased imports,

"(3) to demonstrate that the community will make all reasonable efforts to use its own resources for economic development.

"(c) In order to assist a community which has applied for adjustment assistance under this chapter in preparing a sound adjustment assistance proposal, the Secretary of Commerce may furnish technical assistance to such community prior to certification of its adjustment assistance proposal.

"(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

"SEC. 341. USE OF EXISTING AGENCIES.

"(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

"(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

"(1) examine the aspects of the proposal relevant to its functions, and

"(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

"(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 342 and 343 to the community concerned.

"(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to communities, which sums are authorized to be appropriated to remain available until expended.

"SEC. 342. TECHNICAL ASSISTANCE.

"(a) Upon compliance with section 341 (c), the Secretary of Commerce may provide to a community, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the community.

"(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 340(c) through existing agencies, and otherwise through private individuals or institutions.

"(c) The Secretary of Commerce shall require a community receiving technical assistance under this section or section 340 (c) to share the cost thereof to the extent he determines to be appropriate.

"SEC. 343. FINANCIAL ASSISTANCE.

"(a) Upon compliance with section 341(c), the Secretary of Commerce may provide to a community, on such terms and conditions as he determines to be appropriate, such financial assistance in the forms of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the community. In addition, grants for specific economic development projects, transportation facilities, community economic development corporations, government feasibility studies, and joint firm-worker adjustment assistance programs patterned for specific economic enterprises shall be provided by the Secretary of Commerce if, in his judgment, they will materially contribute to the economic adjustment of the community.

"(b) Guarantees, agreements for deferred participations, loans, grants, or studies shall be made under this section only for the purpose of making funds available to the community for diversification and encouragement of industry.

"(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other laws.

"SEC. 344. CONDITIONS FOR FINANCIAL ASSISTANCE.

"(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 343(b).

"(b)(1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

"(A) 4 percent per annum, or

"(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

"(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1) (B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 343.

"(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

"(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

"(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon in solvency of the obligor, or

"(2) an extension of renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

"(e) No financial assistance shall be provided under section 343 unless the Secretary of Commerce determines that such assistance is not otherwise available to the community, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

"(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 343. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

"SEC. 345. ADMINISTRATION OF FINANCIAL ASSISTANCE

"(a) In making and administering guarantees, agreements for deferred participation, and loans under section 343, the Secretary of Commerce may—

"(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

"(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

"(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

"(4) acquire, hold, transfer, release or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

"(5) exercise all such other powers and take all such other Acts as may be necessary or incidental to the carrying out of functions pursuant to section 343.

"(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

"SEC. 346. PROTECTIVE PROVISIONS.

"(a) Each recipient of adjustment assistance under section 342 or 343 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

"(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 342 and 343.

"(c) No adjustment assistance shall be extended under section 342 or 343 to any community unless the officials or representatives of such community certify to the Secretary of Commerce—

"(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the community for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

"SEC. 347. PENALTIES.

"Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

"SEC. 348. SUITS.

"In providing technical and financial assistance under sections 342 and 343, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 342 and 343 from the application of sections 507(b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316)."

SEC. 17. (a) Section 351(a)(1) of the Trade Expansion Act of 1962 (19 U.S.C. 1981) is amended by inserting before the period at the end thereof ", taking into account the probable effect of such increase or imposition upon consumers, including the price and availability of the imported article and the like or directly competitive domestic article, and upon competition in the domestic markets for such articles".

(b) Section 351(d) of such Act is amended to read as follows:

"(d)(1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section remains in effect, the Tariff Commission shall keep under review, and make annual reports to the President on—

"(A) the specific efforts being made by the firms in the industry concerned to adjust to import competition, and other developments with respect to such industry,

"(B) the effect of such increase or imposition upon consumers, including the price and availability of the imported article and the like or directly competitive article produced in the United States, and upon competition in the domestic markets for such articles, and

"(C) the impact upon United States exports and exporters of any action taken by foreign countries as a consequence of such increase or imposition.

"(2) When in the Commission's judgement the effect of such increase or imposition is

(A) substantially adverse to the interests of consumers, or

(B) that the impact on U.S. exports and exporters is materially adverse,

then it may recommend to the President reduction or removal of the tariff."

"(3) No later than 2 years after the effective date of a proclamation providing for the increase in, or imposition of, any duty or other import restriction pursuant to this section, or upon request of the President, or upon its own motion, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of such increase or imposition.

"(4) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is nine months, and not later than the date which is six months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the applicable period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination. Such petition shall include a detailed account of the specific efforts made by the firms in the industry to adjust to import competition after the effective date of such increase or imposition.

"(5) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account the specific efforts made by the firms in such industry to adjust to import competition, as well as all other economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment. In so advising the President, the Tariff Commission shall also provide its judgment as to the probable effect of the reduction or elimination, as the case may be, upon—

"(A) consumers, including the price and availability of the imported article and the directly competitive article produced in the United States, and upon competition in the domestic markets for such articles, and

"(B) United States exports and exporters affected by any action taken by foreign countries as a consequence of the increase in, or imposition of, any duty or other import restriction pursuant to this section.

"(6) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard."

Section 352(a) is amended by adding thereto the following new second and third sentences:

(1) So long as any international agreement pursuant to this section remains in effect, the Tariff Commission shall keep under review and make annual reports to the President on—

(A) the specific efforts being made by the firms in the industry concerned to adjust to import competition, and other developments with respect to such industry,

(B) the effect of such international agreement on consumers, including the price and availability of the imported article and the like or directly competitive article produced in the United States, and on competition in the domestic markets for such articles, and

(C) the impact upon United States exports and exporters of any action taken by foreign countries as a consequence of such international agreement.

(2) When in the Commission's judgment the effect of such international agreement is

(A) substantially adverse to the interests of consumers, or

(B) that the impact on U.S. exports and exporters is materially adverse,

then it may recommend to the President a revocation or modification of the agreement.

SEC. 18. Title III of the Trade Expansion Act of 1962 is amended by adding at the end thereof the following new chapter:

"Chapter 7—PUBLICITY

"SEC. 371. PUBLICITY OF ADJUSTMENT ASSISTANCE PROGRAMS.

"(a) The President shall take all appropriate steps to insure that the adjustment assistance available under chapters 2, 3, and 4 is made known in a prompt and effective manner throughout the United States to persons who might need such assistance, including persons in areas of substantial unemployment as determined by the Department of Labor.

"(b) In particular, the President shall direct the Departments of Commerce and Labor, and such other agencies as he deems appropriate—

"(1) to use their services and programs in the several States to furnish interested persons with information concerning the various kinds of adjustment assistance available under chapters 2, 3, and 4 and the procedures for obtaining such assistance, and

"(2) to provide timely and appropriate assistance, through their field offices in the several States, to any person seeking to apply for, and to obtain, adjustment assistance under chapters 2, 3, and 4.

"(c) In any area of the United States where a language other than English is used by a significant number of persons, the President shall insure that information and assistance under this chapter are provided in both English and such other language."

Sec. 19. Upon the establishment of a Department of Economic Affairs, the functions, powers, and duties of the Secretary of Commerce and the Secretary of Labor under title III of the Trade Expansion Act of 1962 are hereby transferred to the Secretary of Economic Affairs.

Mr. PERCY. Mr. President, at the request of the distinguished Senator from Ohio (Mr. TAFT), I ask unanimous consent to have printed in the RECORD a statement by him relative to the Adjustment Assistance Act of 1972.

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

STATEMENT BY SENATOR TAFT

Millions of American workers are gripped by the fear that imports are going to cost them their jobs. Andrew Biemiller, Director of Legislation for the AFL–CIO has estimated that approximately 700,000 American jobs were lost directly as a result of foreign competition between 1966 and 1969 alone. This trend was not peculiar to any specific industry, but was evidenced in such diverse types of concerns as textiles, appliances, shoes, bicycles, steel, and tennis rackets.

Representative Burke and Senator Hartke, with the support of the AFL–CIO, have proposed across-the-board import quotas as part of the answer to this problem. I reject this approach because it would lead to higher prices for American consumers and invite a

trade war that would cost American jobs in export-related industries. The Burke-Hartke bill might even result in a net reduction of American jobs.

It would be irresponsible, however, to dismiss the Burke-Hartke bill without suggesting any viable alternative. In view of the tremendous impact which imports have had on workers, industries, and entire communities, a positive alternative to Burke-Hartke is called for. The Government must help those hurt by imports, but it must do so in a manner which balances their interests with the interests of taxpayers in the role of consumers and exporters. I am joining Senator Percy as a cosponsor of the Adjustment Assistance Act of 1972 because it would provide this kind of assistance.

One of the major reasons for the enactment of the Trade Expansion Act of 1962 was to provide aid in the form of tariff increases or import quotas where necessary, and subsidized loans and grants on a more widespread basis, to help workers and firms adjust to increased imports. Relief cannot be provided, however, unless the Tariff Commission makes a positive finding that it is needed. In the first 7 years of the Trade Expansion Act, the Tariff Commission reviewed 13 industry applications for assistance without making a positive finding! To this day, only 5 positive findings on such applications have been made. I believe that tariffs should not be increased nor import quotas imposed unless the situation is extremely serious, but I see no reason to be so miserly with respect to the provision of relief for individual workers. An adequate level of assistance has just not been provided under the present law.

The Adjustment Assistance Act would deal with this problem by eliminating the requirement that adjustment assistance be made available only if the damage due to increased imports results from U.S. trade concessions. Instead, tariff increases or import quotas could be invoked if increased imports have been the primary cause or threat of serious injury to the industry in question. I am not certain that this is the best solution to the problem, but I do feel that it should be brought before the Senate for full consideration. Loans and direct subsidies for workers, firms, and communities would be made available whenever imports have been a substantial cause of the industry's problems. I hope that the latter provision will result in a much more realistic utilization of this type of adjustment assistance.

The legislation would also expedite the provision of assistance by placing time limits on the Tariff Commission's administration of various stages of the application process. An extremely constructive provision of the Act makes clear that any tariff increases or import quotas would be applied only to the specific articles affected and not on an industry-wide basis.

I believe that the increased relief for workers which this bill provides will alleviate many of the hardships that they now face upon losing a job due to increased imports. It will also facilitate any necessary retraining and relocation of these workers. The increased loans subsidies to firms which have already made substantial efforts to adjust to import competition will serve as an incentive for firms to make such adjustments. In addition, the establishment of an entirely new program of assistance to adversely affected communities who need to diversify their industrial base will be particularly helpful. For example, in my own State of Ohio, the town of East Liverpool could seek aid for ending its dependence on the now-depressed ceramics industry. Similarly, a city such as Massillon, which is dependent upon the import-plagued specialty steel industry, could ask for assistance in attracting new sources of employment.

This legislation goes further than any bill ever introduced before to protect consumers and exporters against abuse of the Adjustment Assistance program. It is imperative that any shelter which domestic industries are provided by the artificial restraint of competition through higher tariffs or import quotas be utilized to give these industries time to increase their competitiveness. We cannot permit tariffs or import quotas to be used as vehicles simply to raise prices. To ensure that this condition is fulfilled, the bill directs the President to take consumer interests into account as he decides whether to increase tariffs or impose import quotas. It requires the Tariff Commission to report on any protected industry's efforts to adjust to import competition, to survey the effects of any increased tariffs, import quotas, or import restraints ("orderly marketing") agreement on consumers, and to document the impact on U.S. exporters of any measures adopted by foreign countries in response to such protective arrangements. Most importantly, the legislation puts teeth in these provisions, by giving the Tariff Commission the power to recommend reduction, modification, or elimination of increased tariffs, import quotas, or import restraint agreements if the arrangement in question has had a substantially detrimental effect on consumers or exporters.

This legislation is not pro-business or pro-labor. The measure is not protectionist. It simply attempts to provide the kind of assistance that workers, firms, and communities desperately need to adjust to increased import competition, while maintaining adequate safeguards to ascertain that the interests of consumers and exporters are not allowed to fall by the wayside in the process. I hope that the Senate will give the Adjustment Assistance Act of 1972 full consideration at the earliest possible date.

By Mr. MATHIAS:

S. 3937. A bill to amend the act of August 4, 1950 (64 Stat. 411), to provide salary increases for members of the police force of the Library of Congress. Referred to the Committee on Rules and Administration.

Mr. MATHIAS. Mr. President, I am pleased to introduce today a bill which would bring long-overdue recognition to the members of the special police force of the Library of Congress by raising their salaries to parity with the Supreme Court and Capitol Police forces.

If we are to maintain a competent, professional police force at the Library, we cannot continue to overlook the important responsibilities and duties which they fulfill. They guard a world-famous collection of books and documents of immeasurable, irreplaceable value. They serve a large Library staff as well as thousands of visitors every year. The Library's proximity to the Capitol, the Supreme Court, and the congressional office buildings makes a competent force particularly important.

The Librarian of Congress has indicated his hearty support for this measure, and in fact has stated that a salary scale comparable to those of other police organizations serving Federal facilities is essential to overcoming present difficulties in hiring and keeping skilled personnel. I would like to have printed in the RECORD at this point a table prepared by the Librarian of Congress which illustrates the present disparity in pay scales among such organizations.

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

COMPARISON OF STARTING AND ENDING SALARIES OF LIBRARY OF CONGRESS AND OTHER POLICE

Rank	Library of Congress		GSA		U.S. Capitol		National Zoological Park	
	Starting	Ending	Starting	Ending	Starting	Ending	Starting	Ending
Private	$8,295	$8,295	[1] $8,295	[1] $10,491	$8,610	$12,300	$9,053	$10,261
Jergeant	9,241	9,241	[1] 8,697	[1] 11,145	11,562	15,252	10,013	11,349
Sumior Lieutenant	9,657	10,261	10,013	13,019	14,022	17,712	11,046	12,518
Senior Lieutenant	11,046	12,518	10,013	13,019	14,022	17,712	11,046	12,518
Captain	12,151	13,053	12,151	15,796	16,728	20,418	12,151	13,771

[1] Saved rate—new hires start at base of GS-5, GS-6, etc.

Note: Special rates used by GSA are canceled effective Feb. 6, 1972. Supreme Court Special Police paid at same rates as U.S. Capitol Police, 5.5-percent increase not yet adopted.

Mr. MATHIAS. Mr. President, I am pleased to note that our colleague in the other body, the Honorable HARLEY O. STAGGERS has introduced there H.R. 14640, an identical measure. It is evident that the salary adjustment in this legislation is not only that, but requisite to the security of the Library of Congress and the entire Capitol Hill complex.

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

S. 3941. A bill to establish Capitol Hill as a historic site. Referred to the Committee on Public Works.

Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish Capitol Hill as a historic district. Capitol Hill is an unique area. It is anchored by public buildings of unequalled significance to Americans—the Capitol Building, the Supreme Court, and the Library of Congress. With the exception of the White House, no other landmarks have equal power in capturing the public imagination. This is true now, and will be especially true in 1976, when in honor of the bicentennial of the American Revolution, people from across the country will come to Washington to get a sense of themselves as descendants of the American past and participants in its future. Certainly, a celebration of the birth of our Nation begins with a visit to Capitol Hill.

Besides being the seat of the Nation's Government, Capitol Hill is an area of historic and cultural significance. It contains landmarks listed on the National Register of Historic Places, such as the Frederick Douglass Memorial House, the Folger Shakespeare Library, and Christ Church; residences of Senators, Congressmen, Supreme Court justices, and other public officials, who, in the 19th

and 20th century clustered on Capitol Hill. It also has singular attractions like the Eastern Market and the Congressional Cemetery. Its neighborhoods display almost every style of the 19th century architecture, much of which has been restored to its former beauty to the delight of visitors and residents alike.

But Capitol Hill is noteworthy for another reason. Because it is an area within the District that is experiencing rebirth. Washingtonians recall that during the 1930's, some of the District's worst slums buttressed the Capitol. Housing had changed hands and deteriorated, and a jarring disparity existed between the poor blacks living in the shadow of the Capitol and the gleaming houses of government.

Now, like Georgetown or San Francisco's Russian Hill, Capitol Hill is undergoing transformation. Individuals with money to finance costly restoration are buying property on Capitol Hill. Old townhouses are being restored to their former charm, and whole blocks have been rejuvenated. New construction is going on—deliberately in 19th century style to conform with neighboring houses. People are putting down roots; "The Hill" has once more become a desirable address.

A sign of the vitality of Capitol Hill are the citizen groups that have organized to respond to community issues. Two weeks ago, one such group came out in force to oppose the demolition of century-old houses on East Capitol Street—which already has a special landmark designation—so as to make way for a parking lot. These residents could not stop the leveling of three Victorian houses, and the preservation of the rest of the block is not assured.

As a Washington Post editorial of August 12, 1972, ably points out, the events on East Capitol Street are a portent of things to come unless we provide mechanisms to shield our cultural heritage from the wrecking ball.

Mr. President, I ask unanimous consent that the Washington Post editorial of August 12, 1972, be printed in the RECORD.

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

LANDMARKS AND PARKING LOTS

With three down and nine to go—nine charming, century-old houses, that is—the Capitol Hill Metropolitan Baptist Church and the citizens of Capitol Hill have reached an uneasy truce in a battle that, in the end, affects the future of this city's past. The church owns all but one corner property on the north side of the 500 block of East Capitol Street which officially has been declared a National Capital Landmark. Despite this designation, which has no legal standing, the church decided to demolish this row of Victorian townhouses, in part, it seems, because the trustees found their maintenance too expensive, and in part because it has some vague plans for expansion. Some trustees said they needed more parking space during the Sunday services, despite the fact that the church already owns an ample and underused parking lot alongside its church building and that street parking is freely available on Sundays. Other trustees hinted at building a youth hostel and, perhaps a home for the elderly. Over 400 residents of Capitol Hill signed a petition opposing these designs and their representatives met with church officials, urging them to postpone the demolition until the church had worked out its plans and secured the funds for new, permanent buildings. The chairman of the trustees rejected this citizen recommendation and without any further ado called in the bulldozers. A street demonstration on the part of the citizens, armed with such signs as "Jesus Does Not Need a Parking Lot," called the controversy to city-wide attention, but could not prevent the hasty demolition of the first three buildings. The parking lot is an accomplished fact. It is, said the Rev. C. Wade Freeman Jr., "in the best interest of the church." The vigorous citizen protest did, however, result in the promise that the church would discuss its further plans with the community. The truce now gives both the church and the city time to reflect on basic issues involved in the dispute. Just where do we want our city to go?

The church might, more specifically, ponder the question whether it is possible to love your neighborhood any less than you love your neighbor. We should think that the two go hand in hand. It was, after all, the people, the neighbors on Capitol Hill, who gave of themselves, their civic pride and their sense of beauty to build those houses and other buildings (including the Metropolitan Baptist Church), which now return these intangible values by giving the people who live there a sense of belonging and an identity. It is the physical neighborhood that engenders the strong neighborhood spirit you find on Capitol Hill.

The City Council and the Zoning Board, meanwhile, might do well to ponder ways to give the landmark designation some practical meaning. At the very least the regulations should provide that the capital expansion plans of churches should be, like those of any other tax-exempt institutions, subject to review by the Board of Zoning Adjustment so that their effect on the surrounding community can be publicly considered. Demolition permits of buildings that have been designated landmarks or that are part of a landmark environment, furthermore, should not be granted without full public hearings. The authorities now presume that any building whose owner claims that it is not making a profit is guilty and must be destroyed. Let landmarks be presumed innocent unless their owners can prove that there is no way to save them. Unless the will to preserve what we can of our past is anchored in legislation and zoning and building regulations, it will soon be entirely gone. And a city given over entirely to parking lots and unloved money-making buildings surely doesn't have much of a future.

Mr. CRANSTON. Mr. President, it is out of this sense of urgency that I introduce my bill to establish Capitol Hill as a historic district, for as the seat of the Nation's government, the location of unique historic and cultural landmarks, and as a residential sector critical to the vitality of the District, I believe Capitol Hill deserves the protection that such a designation affords.

My primary desire is to protect the fabric of Capitol Hill from brutal ruptures like parking lots or high-rise office buildings. But, this is not the sole purpose of my bill. I do not believe that Capitol Hill should be preserved as a historic district in order to solidify it in its present state. I hope my bill will encourage innovation and the application of talent and energy to the problem of developing the area within a historical context.

For this reason, my bill goes beyond the designation of Capitol Hill as a historic district and requires that a comprehensive plan be created for the area to guide future growth. One of the requirements of the comprehensive plan is that the District government, in cooperation with the National Capitol Planning Commission, develop strategies to encourage the continuation of a racial and economic mix in the historic district.

Pending before the Department of Housing and Urban Development is a District application for Federally Assisted Code Enforcement—FACE—a program that provides grants and loans to lower income residents to correct code violations and to perform modest home improvements. The application would affect a sizable portion of Capitol Hill.

I am pleased to see that the District government has plans for improving the housing so that long-time residents will be encouraged to stay on Capitol Hill. Code enforcement is a useful tool, but I urge the District government and the National Capital Planning Commission to develop other strategies for assisting families to remain. Otherwise, I fear that without assistance, Capitol Hill will come full circle.

Black families will be displaced and the area will become almost exclusively middle and upper income, and almost exclusively white. In my view, the shift from an all-black population to all white—which took place in Georgetown and intensified the housing problems for blacks in other sections of the city—should be prevented. The District as a whole will, I believe, be healthier if its neighborhoods retain racial and economic diversity.

My bill, which draws upon examples of historic district zoning, particularly the Old Georgetown Act of 1950 (Public Law 808), has several features that I want to emphasize. First, the National Capital Planning Commission, after determining the boundaries of Capitol Hill and after performing a historical and cultural survey of the area, will recommend that Capitol Hill be nominated to the National Register, maintained by the Secretary of the Department of the Interior. This nomination will bring Capitol Hill under the protection of the National Historic Preservation Act of 1966 (Public Law 89-665), and will enable the District government to take advantage of matching grants-in-aid provided by that act.

Second, my bill divides responsibility between the National Capital Planning Commission and the Office of Planning and Management within the District government for the survey of Capitol Hill and the comprehensive plan for the conservation, development, and redevelopment of the historic district. The intent is to capitalize on the special capabilities of each and to enhance those capabilities. By requiring the cooperation of these planning bodies, I hope a more unified approach to historic preservation will take form in the District.

The National Commission of Fine Arts was given authority under the Old Georgetown Act to review plans for construction, alteration, reconstruction, or razing of structures within Old Georgetown. It was not given authority to review plans for demolition. The events on East Capitol Street demonstrate that this is a serious weakness. My bill gives

the Fine Arts Commission authority to comment on demolition. Further, it requires that the District delay demolition for 90 days, so that if the Commission finds the structure to have historical or architectural significance, there will be time for public discussions, and there will be time to develop possible ways of saving the structure. This provision is extremely important if historical preservation is to have success.

In addition, I have urged the Fine Arts Commission not to preclude the approval of contemporary design when it is compatible with older styles of architecture. To assist the Fine Arts Commission in its review, I have authorized the District government to appoint four residents of Capitol Hill who are knowledgeable in historic preservation as advisers to the Commission.

Lastly, my bill provides two special authorizations: $280,000 for the restoration of the eastern market, and $50,000 for minor beautification of public places within the historic district.

The livability and vitality of a city depends upon the character of its neighborhoods. Significant structures play an important role in forming and maintaining a neighborhood. In my own State of California, I have sought to continue the usefulness of historic buildings, and point with success to the preservation of the San Francisco Mint and the Mission Inn in Riverside. Last year I introduced S. 737, a bill that would designate the residence of Eugene O'Neill in Danville, Calif., as a national historic site.

But while structures often generate a neighborhood sense, other factors that make a neighborhood "work," factors that coalesce to give satisfactions to its residents, are not always perceived. I believe that aside from the value of preserving the historical flavor of Capitol Hill and channeling future growth within prescribed guidelines, the designation of Capitol Hill as a historic district will give us insight into how an area is revitalized and what kinds of policies promote that process. It is my hope that since this bill provides legislation for a specific purpose that the lessons of Capitol Hill will be instructive to the rebuilding of our cities.

I ask unanimous consent that the full text of the bill be printed in the RECORD at this time.

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

S. 3941

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(1) districts of historical and cultural significance should be preserved to enrich the lives of present and future generations of Americans;

(2) as the seat of the Nation's government, the Capitol Hill district is unique and is of great national and international importance;

(3) the creation of the Capitol Hill historic district within the District of Columbia will foster civic pride and tourism and enhance the vitality of the entire city; and

(4) the creation of a Capitol Hill historic district will encourage private and public actions to restore the visual beauty and usefulness of landmarks, sites, and dwellings, and, thus, preserve the special character of the area.

TITLE I

SEC. 101. (a) To facilitate the testing of new methods of revitalizing neighborhoods within a metropolitan area and to encourage the coordination among agencies having responsibility for comprehensive planning within the District, the National Capital Planning Commission shall survey Capitol Hill district for the purpose of recommending that said district be included on the National Register as established by Public Law 89–665.

(b) The Capitol Hill historic district is defined as that area bordered on the west by 2nd Street between E and C Streets, west on C Street to New Jersey Avenue, and south on New Jersey Avenue to the Southwest Freeway; bordered on the south by the Southwest Freeway east to 19th Street, including the Congressional Cemetery; bordered on the east by 19th Street north to E Street; and bordered on the north by E Street west to 2nd Street.

(c) The National Capital Planning Commission may modify these boundaries based upon its survey of the area and upon the advice of Federal and District of Columbia agencies having responsibility for historic preservation, as well as private groups and individuals, whose knowledge and talent are relevant to historic preservation.

(d) In addition to determining the boundaries of the Capitol Hill historic district, hereafter referred to as Capitol Hill, the National Capital Planning Commission shall include the following in its survey:

(1) a revised list of landmarks for nomination to the National Register prepared in conjunction with and with the review of the Joint Committee on Landmarks;

(2) a definition of the historic and cultural character of Capitol Hill, drawing upon a detailed architectural inventory of the location, style, and condition of structures; and

(3) an analysis of present conditions in the district, including neighborhood facilities, parks, type and conditions of streets and pavements, and other site features.

(e) Such survey shall be made at a cost not exceeding $100,000, which amount is hereby authorized to be appropriated.

(f) Included in such survey shall be a comprehensive plan for the conservation, development, or redevelopment of the historic district, which shall be prepared by the Office of Planning and Management of the District of Columbia, but which shall be coordinated with the findings of the National Capital Planning Commission, as described in paragraphs (1), (2), and (3) of subsection (d) of this section. Such comprehensive plan shall include, but not be limited to, the following:

(1) an analysis of present land-use patterns, with emphasis on the applicability and reasonableness of present zoning laws and regulations to preserve the character of Capitol Hill;

(2) an analysis of recent economic, demographic, and social trends in the district; and

(3) a statement of objectives for the future conservation, development, or redevelopment of the district, which shall include strategies to encourage the continued racial and economic integration of the historic district.

(g) Such comprehensive plan shall be made at a cost not exceeding $150,000, which amount is hereby authorized to be appropriated.

SEC. 102. The National Capital Planning Commission shall submit the survey, which includes the comprehensive plan, to the Congress of the United States, to the Commissioner of the District of Columbia, and to the National Commission of Fine Arts no later than one year after the enactment of this Act, and shall serve as the guide to the preservation and development of Capitol Hill.

TITLE II

SEC. 201. In order to promote the general welfare and to preserve and protect the places and areas of historic interest, exterior architectural features and examples of the type of architecture used in Capitol Hill since its initial years, the Commissioner of the District of Columbia, before issuing any permit for the construction, alteration, reconstruction, razing, or demolition of any building within said Capitol Hill district, shall refer the plans to the National Commission of Fine Arts for a report as to the exterior architectural features, height, appearance, color, and texture of the materials of exterior construction which is subject to public view from a public highway, and, including, the impact of such plans upon the environs of the building.

The Commission's review shall not preclude the approval of contemporary design which is compatible with the architectural styles prevailing in the historic district.

SEC. 202. The National Commission of Fine Arts shall report promptly to said Commissioner of the District of Columbia its recommendations, including such changes, if any, as in the judgment of the Commission are necessary to preserve the historic value of said Capitol Hill district. The said Commissioner shall take such actions as in his judgment are right and proper in the circumstances: *Provided,* That, before issuing a permit of demolition, the Commissioner of the District of Columbia shall refer such plans to the National Commission of Fine Arts, and shall delay for 90 days the demolition of such property. Within the period of postponement of such demolition, the Commission of Fine Arts shall take steps to ascertain what the Commissioner of the District of Columbia can or may do to preserve such building, including consultation with private civic groups, interested private citizens, and other public boards or agencies, when the preservation of a given building is clearly in the interest of the general welfare of the community and of certain historic and architectural significance. The Commission shall then make its report to the Commissioner of the District of Columbia: *Provided,* That, if the said Commission of Fine Arts fails to submit a report on plans within forty-five days, its approval thereof shall be assumed and a permit may be issued.

SEC. 203. The Commissioner of the District of Columbia shall appoint four citizen members, who are residents of the historic district and who have demonstrated outstanding interest and knowledge in historical or architectural development of the historic district, as advisers to the National Commission of Fine Arts. Such citizens shall advise the Commission on plans referred to it and shall serve without expense to the United States.

SEC. 204. The National Commission on Fine Arts may also advise interested parties on the design and appearance of walls, fences, signs, light fixtures, and steps so that such design and appearance may be compatible with the architectural styles of Capitol Hill.

SEC. 205. Nothing in this title shall be construed to prevent the ordinary maintenance or repair of any exterior elements of any building or structure within the historic district; nor shall anything in this title be construed to prevent the construction, reconstruction, alteration or demolition of any such elements which the authorized municipal officers shall certify as required by public safety.

SEC. 206. This title shall become effective upon the approval of the Secretary of the Interior for the nomination of the Capitol Hill historic district to the National Register.

TITLE III

SEC. 301. For the purpose of restoring the Eastern Market, at 7th Street and North Carolina Avenue, S.E., to its full usefulness and beauty, there is authorized to be appropriated $280,000, to be administered by the District of Columbia.

SEC. 302. For the purpose of undertaking minor beautification of public sites in the historic district and for the purpose of marking with plaques, or other means, places of historical and cultural significance, there is authorized to be appropriated $50,000, to be administered by the District of Columbia.

By Mr. SPARKMAN (for himself, and Mr. ALLEN):

S. 3940. A bill to amend the black lung benefits provisions of the Federal Coal Mine Health and Safety Act of 1969 to extend those benefits to miners who incur silicosis in iron mines and surface coal mines. Referred to the Committee on Labor and Public Welfare.

Mr. SPARKMAN. Mr. President, today I am introducing, with my colleague from Alabama (Mr. ALLEN) as cosponsor, the so-called red-lung bill, which is designed to benefit those miners who have developed serious lung problems, and other related health problems, as a result of working in iron ore mines for a number of years.

What the bill will do is provide the same benefits to iron ore miners that the black lung legislation did to coal miners.

I think everyone agrees that a person has no more precious possession than good health. Without it, we are practically helpless to provide either for ourselves or our families.

Many fine men, in my State and throughout the country, spent their lives toiling in the iron ore mines. These are the men who helped build this great country; they worked the mines long before mine safety became a by-word of the mining industry.

As a result, many of these men—possibly as many as 5,000 in Jefferson County, Ala., alone—have suffered serious health problems resulting from breathing the iron ore dust over the years.

I think it is only just and humane that this Nation provide help to these people who have spent a lifetime building this country and providing the very backbone of our economy. They made tremendous sacrifices—even including their health—to provide for their families and their country. It is now time for this Nation to help them.

I urge the Senate to act swiftly on this matter, to provide equity and justice to the thousands of iron ore miners who are deserving of our concern and our help.

A number of my constituents in the Jefferson County area have been working to organize support for this legislation. Recently, the Honorable Ben Erdreich, a young Birmingham attorney, came to Washington and presented petitions with over 4,000 signatures from people who are interested in the health of Alabama miners afflicted with red lung disease.

Companion bills have been introduced in the House of Reuresentatives and I hope that Congress will soon have good news for these suffering people.

By Mr. ROBERT C. BYRD (for himself and Mr. RANDOLPH):

S. 3944. A bill to provide for repair and conversion to a fixed-type structure of dam No. 3 on the Big Sandy River, Ky., and W. Va., in the interest of water supply and recreation for local interests. Referred to the Committee on Public Works.

Mr. ROBERT C. BYRD. Mr. President, I introduce a bill on behalf of myself and my colleague from West Virginia (Mr. RANDOLPH), and I ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be appropriately referred.

Mr. ROBERT C. BYRD. Mr. President, this bill would authorize the Department of the Army, through the Corps of Engineers to rebuild dam No. 3 on the Big Sandy River in order to restore the water supply for the towns of Fort Gay, W. Va., and Louisa, Ky. There is an existing dam which was constructed in the late 1800's and maintained for navigation until 1947, at which time ownership of this dam was transferred to Fort Gay and Wayne County, W. Va., and Louisa and Lawrence County, Ky. Flooding and other adverse conditions have subsequently caused severe deterioration of the dam structure and the surrounding abutments. These damages have, in turn, resulted in a lowering of the pool behind the dam from which Louisa and Fort Gay derive their water supply.

The Corps of Engineers, by letter of July 26, 1972, expressed the view that this proposal is feasible and is considered to be the most appropriate solution to meet this problem. This legislation extends to the Corps the authority to accomplish this work and to authorize appropriations of $300,000 for this purpose.

By Mr. BUCKLEY:

S.J. Res. 262. A joint resolution to provide for the designation of the week which begins on September 24, 1972, as "National Microfilm Week." Referred to the Committee on the Judiciary.

Mr. BUCKLEY. Mr. President, today I am introducing a joint resolution calling upon the President to proclaim the week of September 24, 1972, as "National Microfilm Week." An identical resolution has already been introduced in the House of Representatives as House Joint Resolution 1193, which I am hopeful will call attention to an industry which has revolutionized the information collection, retrieval, and dissemination process within our lifetime.

This resolution takes note of the extensive contribution this industry has made to every sphere of our national life; commercial, historical, cultural, and governmental. The widespread employment of microfilm technology has contributed to the development of the means by which our society can be assured of retaining broad and meaningful access to historical information in every field of endeavor in the most efficient manner possible.

In recognition of this formidable contribution to American society, I offer this resolution, and hope for early Senate approval.

ADDITIONAL COSPONSORS OF BILLS

S. 3880

At the request of Mr. HANSEN (for Mr. SCHWEIKER) the Senator from New York (Mr. JAVITS) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 3880, the National Diabetes Education and Detection Act.

S. 3906

At the request of Mr. FANNIN, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3906, a bill to protect the safety of users of compressed gas cylinders, and for other purposes.

SENATE RESOLUTION 356—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

(Referred to the Committee on Rules and Administration.)

Mr. HART, from the Committee on the Judiciary, reported an original resolution as follows:

S. RES. 356

Resolved, That the Committee on the Judiciary is authorized to expend from the contingent fund of the Senate $18,000, in addition to the amount, and for the same purposes and during the same period, specified in Senate Resolution 256, Ninety-second Congress, agreed to March 6, 1972, authorizing an investigation of antitrust and monopoly laws and their administration.

REVENUE SHARING ACT OF 1972—AMENDMENT

AMENDMENT NO. 1460

(Ordered to be printed and to lie on the table.)

PASSING ON BENEFITS TO SENIOR CITIZENS

Mr. TUNNEY. Mr. President, I am submitting today an amendment to H.R. 14370, the revenue sharing legislation, to pass through some of the benefits of the recently approved 20-percent increase in social security payments to the more than one and a quarter million elderly people who depend on both social security and public assistance payments for their income. My colleague from California (Mr. CRANSTON) is a cosponsor of this amendment.

Unless this action is taken before the social security increases are paid, none of these people will receive any of the increase which Congress voted for them.

Their assistance payments will be reduced dollar for dollar according to the size of the increase in their social security entitlements. Some will find their welfare payments cut off altogether.

In a number of places, the social security increase will make many receipients ineligible for State medicaid programs and also reduce food stamp allotments—in real terms, the increase could cost them far more than they gain.

In California, the latest figures available show that some 229,000 retired persons receiving social security benefits are also on the rolls for old age assistance payments.

They comprise 70 percent of all those on old age assistance, and 14 percent—one in every seven—of all Californians receiving social security retirement benefits.

In the Nation as a whole, there are approximately 1,277,000 on both OAA and OASDHI—more than 7 percent of all people on social security retirement benefits.

By definition, these are all people with few resources and very low income, with no capacity to absorb the impact of increasing costs and prices.

The Senate, by its overwhelming vote of 82 to 4 in favor of the across-the-board increase in benefits, demonstrated its conviction that it was of the greatest importance to grant a very substantial increase in income to the elderly who depend on social security for their support.

The House concurred in that decision.

Of all the groups of social security recipients, the one whose need is greatest—with the smallest resources to face the constant increases in the daily costs of living—is this group.

It would be a contradiction of the action of Congress at that time not to make the effort to pass through at least a part of the increase.

It is pertinent to recall the considerable increases in costs which elderly people have faced in the last 18 months. I shall mention only two. Food alone accounts for about 27 percent of the income of old people—far more than for the general population.

Food costs have gone up 6 percent or more since the beginning of January 1971, and as everyone knows these prices are currently the source of continuing great concern.

At the same time, property taxes which hit both homeowners and those who rent, have risen 14 percent.

To face these increased demands on their meager income—or rather to continue facing them, for they have been forced to cope with the situation for upwards of 18 months without any extra help—these people need the help which this pass-through provision would give them.

My amendment adds an extra title to the bill, imposing an additional requirement on States as a condition for approval of a State plan to provide aid to individuals under title I, X, XIV, or XVI of the Social Security Act.

This requirement is that, once the 20-percent increase is effective, an individual who receives both social security and OAA payments must receive in total from the two sources an extra $15 a month, or an extra amount equal to the full amount of his personal social security increase, whichever is the lesser.

States will be permitted to pass on this extra amount to them either by increasing the amount of income disregarded in determining eligibility for and amount of payments, or by other means, such as increasing the standard of need or payment for all recipients of public assistance for the aged, whether social security beneficiaries or not.

The average lift in social security benefits under the 20-percent increase was $28 a month for a single retired worker and $47 for a retired couple. In view of this, and of the fact that no pass-through has yet been granted for last year's social security increase, I think it must be agreed that this pass-through is not at all excessive. Personally, I would prefer that it could be set at an even higher level.

I do think, however, that it is also important not to create too much of a differential between the treatment of recipients with some social security entitlements, and those with no other resources at all.

In this connection it should also be kept in mind—and kept in mind very prominently—that unless the pass-through is implemented, the increases which we voted 2 months ago for these people will simply constitute a direct fiscal relief operation for the States. For each dollar of the social security increase which goes to decrease a recipient's public assistance grant will be a dollar off the State welfare bill, not in the pockets of the elderly poor.

It has been suggested that it would be more appropriate for this provision to be handled in connection with general welfare provisions, sometime after the recess.

Two main considerations militate strongly against this. First, the program for action on welfare changes is, to say the least, not altogether clear or certain. If battle is eventually joined on the issue, it will be a long and bloody conflict, and no one can be sure what the body count will be at the end of the day.

Second, and more urgent, is the fact that the 20-percent increase is to be paid for the month of September, in the October checks.

If we are to act to pass through these benefits without considerable added administrative expense, it must be done as soon as possible.

Because of the administrative lead-time needed, I understand some States are already preparing for changes they expect to have to make in entitlements, in order to prevent an unmanageable log jam at the time of the actual payment of the increase.

If we are to forestall a situation which gives rise to unnecessary and wasteful administrative expenses, we must act quickly.

The time to get this done is now.

Overriding all these considerations, however, is the fact of the undeniable need of the old people of our Nation, not to share in the affluence of the rest of the population—this is not a level of income where it makes the remotest sense to talk in terms of affluence—but to be given help in counteracting the inroads already made into their inadequate incomes.

I urge my distinguished colleagues to give this matter their fullest support.

Mr. President, I request unanimous consent that the text of the amendment be printed in full in the RECORD at this point.

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

AMENDMENT NO. 1460

At the end of the bill, add the following new title:

TITLE IV—DISREGARD OF SOCIAL SECURITY BENEFITS IN DETERMINING NEED FOR PUBLIC ASSISTANCE

DISREGARD OF SOCIAL SECURITY BENEFITS IN DETERMINING NEED FOR PUBLIC ASSISTANCE

SEC. 401. In addition to the requirements imposed by law as a condition of approval of a State plan to provide aid to individuals under title I, X, XIV, or XVI of the Social Security Act, there is hereby imposed the requirement (and the plan shall be deemed to require) that, in the case of any individual found eligible (as a result of the requirement imposed by this section or otherwise) for aid for any month after August 1972 who also receives in such month a monthly insurance benefit under title II of such Act, the sum of the aid received by him for such month, plus the monthly insurance benefit received by him in such month, shall not be less than the sum of the aid which would have been received by him for such month under the State plan as in effect for August 1972, plus either—

(1) the monthly insurance benefit which was or would have been received for August 1972, plus $15; or

(2) the monthly insurance benefit to which he would be entitled for the month of September, 1972, whichever is less (whether this requirement is satisfied by disregarding a portion of his monthly insurance benefit or otherwise).

AMENDMENTS NOS. 1461 THROUGH 1464

(Ordered to be printed and to lie on the table.)

Mr. HARTKE submitted four amendments intended to be proposed by him to the bill (H.R. 14370) to provide payments to localities for high priority expenditures, to encourage the States to supplement their revenue sources, and to authorize Federal collection of State individual income taxes.

NOTICE OF HEARING

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking and Currency will hold a hearing on Thursday, September 7, at 3 p.m., to receive testimony on S. 3939, the Federal-Aid Highway Amendments of 1972. This hearing will be limited to that part of the bill relating to the use of highway funds for highway public transportation, the authorization levels for these purposes and the impact of these upon funding needs of the urban mass transportation program.

The hearing will be held in room 5302, New Senate Office Building.

The subcommittee welcomes statements for inclusion in the record of hearings.

ADDITIONAL STATEMENTS

THE PEOPLE OF CZECHOSLOVAKIA

Mr. PERCY. Mr. President, as we mark the fourth anniversary of the Soviet invasion of Czechoslovakia, I wish to express my continuing admiration for the people of that unhappy land who, despite every pressure, despite the calculated treachery committed against them,

still maintain an irrepressible love of freedom.

At the same time, I want to express my appreciation to the many organizations in our own country which seek to keep alive public consciousness of the plight of the people of Czechoslovakia.

For myself, I can say that I have not forgotten, nor will I forget, the people of Czechoslovakia. They bear burdens which no men should have to bear. They are deprived of freedom. Their destiny is not in their own hands. They suffer a cruel subjugation to the wishes of a foreign state.

The people of Czechoslovakia deserve our concern, our sympathy and our prayers.

ANTENNAS OF SKEPTICISM

Mr. HUGHES. Mr. President, because of official policies of secrecy and news management on the part of our Government and the Thieu regime regarding events in the war in Indochina, it has always been difficult for the American public to get an accurate view of what is going on in Vietnam.

According to some recent news reports, the truth of what is happening may be further distorted by exaggeration by allied sources of alleged acts of terrorism by North Vietnamese and Vietcong troops. If this is true, I submit that it is regrettable. There is enough brutality to be reported without doctoring the news and undermining the credibility of our official news sources.

One well-publicized atrocity story deals with a so-called convoy of death in which civilians retreating from Quang Tri last spring were attacked by North Vietnamese soldiers. Certainly any attack on civilians cannot be condoned. But these particular charges have since been partially discredited by an AP reporter on the scene, who says that half of the victims were South Vietnamese troops fighting their way out of the battle area.

Atrocities in this war should be condemned wherever they occur. But Laurence Stern, in an article published in the Washington Post on August 11, 1972, makes a point that I believe is worth everyone's sober consideration.

He writes that—

> When government spokesmen on either side begin to moralize about the outrages of the enemy's troops it is time to raise the antennas of skepticism rather than to join the parade.

Mr. Stern also discusses the reports of selective assassination by local government officials during the occupation of Binh Dinh Province earlier this year. He says:

> It is the mirror image of conditions when territory is under Saigon control and the suspected Vietcong cadre and infrastructure become the chief target for "neutralization" under the Phoenix program.

Mr. President, I ask unanimous consent that Mr. Sterns' article, entiled "The 'Convoy of Death,'" be printed in the RECORD.

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

THE CONVOY OF DEATH

(By Laurence Stern)

Last week in Saigon, newsmen were briefed by American officials on the "Convoy of Death"—an alleged attack by North Vietnamese ambush teams on a retreating column of unarmed refugees from Quangtri during the Communist capture of that city at the end of April. As reported by the official briefers, the incident falls into the category of atrocity. The claim was that 1,000 to 2,000 defenseless civilians were killed in the attacks on April 29–30.

And within the past few days The New York Times has carried two dispatches from its able Saigon correspondent, Joseph B. Treaster, on reports from refugees and estimates of "allied Intelligence officials" that some 250 to 500 civilians were executed by the Communists during their three-month occupation of northern Binhdinh Province in South Vietnam's central coastal region.

These reports are bound to invoke the memory of the Hue massacre and the specter of a future Communist "blood bath" that high administration figures claim could accompany a political settlement of the Vietnamese conflict. The "blood bath" theory has long served as a potent argument against trying to come to terms with Hanoi and the Southern Front on a formula for sharing the power in Saigon.

The new reports also come on the heels of North Vietnam's protests, condemned by the administration as propaganda, against American bombing of the Red River Valley dike system and other non-military targets.

So, the decibels of accusation and counter-accusation are rising both above and below the DMZ as the Paris talks flounder on. If the past is any guide, there are undoubtedly elements of the true, the false and great gobs of the unknown in the charges of both sides. Furthermore, as the international climate grows increasingly shrill so will the possibilities of reasonable inquiry be drowned out by the noise.

The "Convoy of Death" story was challenged in some important respects by Associated Press correspondent Holger Jensen, who reported that half the victims of the April 29–30 attacks were South Vietnamese troops battling their way out of besieged Quangtri—and not just unarmed civilians. He puts his maximum estimate of those killed, soldiers and civilians, at 600, less than a third of the officially-claimed toll.

This is not to say that the killing of civilians fleeing with the South Vietnamese army and ranger units is an attractive piece of heroism, any more than the bombing of civilians in retaliatory American air strikes is a pardonable misdemeanor.

But when government spokesmen on either side begin to moralize about the outrages of the enemy's troops it is time to raise the antennas of skepticism rather than to join the parade, as this war has repeatedly taught us.

The reports from Binhdinh Province deserve even closer attention. For there is little doubt that the "bloodbath" demonologists in the administration and elsewhere will soon begin banging the kettle drums.

In his dispatches on the Communist occupation of northern Binhdinh, an entrenched Vietminh and then Vietcong stronghold, Treaster carefully separates what the refugees said from the assertions of "allied intelligence officials."

Those refugees who chose to escape from the Communist zones spoke of heavy political indoctrination, of execution of Saigon government functionaries and of conscript hard labor in the service of the Communist troops. The chief targets, Treaster was told were the agents of the Saigon government: hamlet and village chiefs, police and militiamen. It is the mirror image of conditions when territory is under Saigon control and the suspected Vietcong cadre and infrastructure becomes the chief target for "neutralization," under the Phoenix program.

Some Washington officials closely concerned with Vietnam matters feel it is too early to judge how representative a picture it is of the Communist occupation of northern Binhdinh. Individual refugees have their own motives for running, whether from ideology, bombs or artillery. Each has a limited perspective on something far bigger than anyone's individual perceptions.

"What this tells me more than anything is that the White House sees little possibility of a negotiated settlement," said one such source. His point was that when the conference table is bare the war of rhetoric waxes strongly.

SOVIET EXTORTION-THROUGH-EDUCATION AGAINST JEWS

Mr. BUCKLEY. Mr. President, an article published on the front page of the New York Times for Wednesday, August 16, told of a new and insidious practice of discrimination against Jews by the Soviet Union. The article told of a new system of heavy exit fees ranging from $5,000 to $25,000 for educated Jews who want to emigrate to Israel.

Soviet officials have a ready explanation for this practice. They claim that the fees are "repayment for the costs of state-financed education." Since there is no other system of education allowed in the Soviet Union, it is difficult to imagine how Soviet officials can justify, even by their curious logic, such an extortion. If a person has never had a choice as to what kind of school he can attend, then it might be said that he has "paid" for whatever education the state gives him by the loss of his freedom to choose his own kind of educational system.

The world learns, once more, that by whatever means it has at its disposal, the Soviet Union continues to carry out its program of discrimination against and, ultimately, the destruction of, Soviet Jewry. That their means of destruction are extortion, terror, and unrelenting psychological pressure does not make the intent less evil than the intent of former persecutors of the Jews who have used less subtle, more horrible means.

Equally important we learn that when the state is all-powerful, even the most highly desirable institutions can be perverted to evil ends. When the state has total control over the educational process, there is no chance for anyone to escape the threat of state sanctions at any time of life, for whatever reason. The total state gives and the total state can take away—or, in the example quoted above, the state gives and then the state demands payment, at its leisure, for its own political reasons, without hope of appeal.

Let us never get to a condition in our own country where the state can blackmail or terrorize or extort from citizens because of some educational debt that is

supposedly owed to the state. Nature and the just laws of nations have placed the primary responsibility and right for the education of the young in the hands of parents, where it belongs. If parents choose to send their children to a state-supported school, that is their business. But we must have a strong pluralistic system of education—as President Nixon has suggested on a number of occasions—if we are to have true freedom.

I ask unanimous consent that the Times article be printed in the RECORD.

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

SOVIET JEWS SAY EXIT FEE IS RISING FOR THE EDUCATED

(By Hedrick Smith)

Moscow, August 15.—Jewish sources reported tonight that Soviet authorities are instituting a new system of heavy exit fees ranging from $5,000 to $25,000 for educated Jews who want to emigrate to Israel.

The sources said they learned of the new measure, replacing the old general fee of about $1,000, while some Jews were applying for exit visas with a branch of the Interior Ministry today. No official confirmation was possible.

The Government explanation, the sources said, was that the fees were necessary repayment to the Government for the costs of state-financed education. A similar reason had long been given for the earlier fee.

Earlier today, 10 Jewish intellectuals charged that the Government was discriminating against educated Jews in handling emigration requests and that harassment and delays had increased in the last two months.

Under present Government policies, the 10 said in a joint statement, there was a danger that highly qualified scientists and educated Jews were in danger of becoming "a new category of human beings—the slaves of the 20th century."

RARE NEWS CONFERENCE HELD

The statement was read at a rare news conference by Benjamin G. Levick, a 55-year-old chemist and scholar, the highest-ranking Soviet academician to apply for an exit visa to Israel. He is a corresponding member of the prestigious Academy of Science and so far the only person associated with the academy to apply for permission to emigrate.

Educated Jews have long encountered more difficulties in emigrating than blue-collar or office workers and tradesmen, and Western diplomats said tensions between Jews and Soviet authorities were evidently rising because more intellectuals had been applying for exit visas lately.

Western diplomats reported that through the first six months of this year about 15,000 Jews had been allowed to emigrate, roughly the same number as in all of 1971.

Some Jews are contending, however, that the flow since midyear has slowed down, reflecting a change in Soviet attitude. So far there has been no official confirmation, nor any confirmation from diplomats who follow such affairs closely.

GRADUATED FEE SYSTEM

A new schedule of fees for educated applicants, if put fully into practice, would be aimed not only at blocking those who have already applied but at deterring others from applying, Jewish sources said.

They reported having been told today that Jews who had graduated from a teachers institute faced fees of 4,500 rubles—$5,400. University graduates were to pay 11,000 rubles—$13,200—and holders of the candidate degree, equivalent to a Ph.D. in America, were to be charged 22,000 rubles—$26,400. Other Jewish sources reported slightly different figures but in the same range.

Even without a graduated fee scale, Dr. Levich and his colleagues contended that educated Jews were being discriminated against. "Jews wishing to leave are being divided according to their educational and intellectual level," they said in their statement. "The higher the level, the more difficult it is to get permission to get a visa."

They asserted that obstacles to intellectuals had been stepped up lately—discharge from work after applying for visas, the threat of prosecution for lack of employment, sudden military call-ups and the danger of trials for those who refused to serve, disconnection of telephones and interference with mail.

These measures, the statement asserted, came at the same time as new pressures against non-Jewish civil rights activists here and trials of liberals in Czechoslovakia.

Professor Levich, who was demoted since his unsuccessful application for an exit visa last March, said that his son, Yevgeny, a 24-year-old astrophysicist, has been ordered to report for two years' military service despite chronic physical disabilities and despite the normal exemption granted to scientists with Ph.D.'s.

Besides the Leviches, those who endorsed the statement were Dr. David S. Azbel, 61, a retired chemistry professor who spent 16 years in Stalinist prison camps; Prof. Aleksandr V. Voronel, 41, a physicist; Prof. Boris G. Moisheson, 34, mathematician; Dr. Vladimir G. Zaylavsky, 43, molecular biologist; Viktor S. Yakhot, 28, solid-state physicist; Dmitri K. Simis, 24, sociologist formerly with the Institute of World Economics and International Relations; Gregory L. Svechinsky, 32, an engineer and teacher, and Viktor B. Nord, 27, a film director whose recent movie, "The Debut," won critical acclaim.

WHEN MENTAL HARM IS GENOCIDE

Mr. PROXMIRE. Mr. President, Mr. George Aldrich, the Deputy Legal Adviser of the State Department, has provided the Subcommittee on Foreign Relations with some very useful testimony concerning the category of "mental harm" in the Genocide Convention's definition of genocide. His testimony does much to dispel the fear that the treaty's definition of "mental harm" is so vague that it will open up many innocent citizens to the charge of genocide.

According to article II of the Genocide Convention, genocide includes "Causing serious bodily or mental harm to members of the group," with intent to destroy that group in whole or part.

A self-explanatory understanding of this definition proposed by the President, is attached tc the treaty as reported out by the committee. It states:

The U.S. Government understands and construes the words "mental harm" appearing in article II(b) of this Convention to mean permanent impairment of mental faculties.

Mr. Aldrich has provided a good explanation of the implications of this understanding—

Thus, before a charge could be sustained, it must be proved that permanent impairment of mental faculties occurred and that the defendant brought about this injury with the intent to destroy, in whole or in part, one of the protected groups. This standard is rigid enough to discourage frivolous allegations of genocide through mental harm.

In my opinion, nothing could be clearer. The understanding and the explanation by Mr. Aldrich show that a suspected loophole in the Genocide Treaty does not exist. The definition of genocide is precise enough to prevent convictions of people on imprecise and undocumented charges of mental harm. Therefore, I urge the ratification of the Genocide Convention.

INTERIM AGREEMENT ON OFFENSIVE ARMS

Mr. STEVENSON. Mr. President, the negotiations which led to the Interim Agreement on offensive weapons, and the negotiations yet to come, offer hope that we can end the costly and perilous race in strategic arms. That hope is diminished by the amendment offered by our esteemed colleague, Senator JACKSON.

The proponents of his amendment have professed a need for "stable parity," for a "stable strategic relationship based on survivable strategic forces," for a "prudent strategic posture," for a "credible deterrent." To listen to them, the Jackson amendment would only record the Senate's support for principles we all support. But the Jackson amendment goes beyond those principles to give implicit, if not explicit, support to principles I do not support. It could lead to another round in an arms race which the agreement rightly attempts to stop.

The interim agreement contains disparities between the number of offensive launcher systems allotted to each side. But those disparities in the number of certain launcher systems clearly do not limit the United States to a position of inferiority in any essential category or in overall strategic force.

That is because the agreement does not by any means cover all categories of offensive weapons. It does not, for example, limit our vastly superior tactical forces, principally in Europe, which enter into the overall strategic differences between our forces in every category which will offset many of the quantitative differences. These qualitative differences weigh heavily in our favor, as in the case of the Poseidon submarine and its MIRV'd missiles. And besides, this agreement is expected to be supplanted by a treaty before the end of its 5-year period.

I submit that the Jackson amendment, not the agreement itself, is the real threat to our security. If the argument of the Jackson amendment supporters for "equality" is to be taken literally, and enshrined in the Senate's approval of the interim agreement, could it not then be logically argued that the Soviet Union as well as the U.S. was invited to seek "equality." Indeed, what else can "equality" mean—except equality? By this logic is not the Soviet Union invited to deploy MIRV'd missiles on nuclear submarines in such numbers as to overcome our superiority?

As it stands now, from submarines alone we can deliver 3,504 warheads against as many targets in the Soviet Union. The Soviet Union can deliver 518 warheads from its 60 submarines against targets in the United States. That warhead gap will widen to our further advantage during the term the agreement

is in effect. By supporting numerical "equality" would we really mean to support numerical equality in the number of deliverable nuclear warheads from submarines during the interim agreement? If not, does the Jackson amendment suggest that the United States should be free to do what the Soviets cannot? Indeed, what does the amendment mean by demanding numerical equality? No one really knows.

The same arguments could be made on the other side for numerical equality in every category of offensive weapons. To the extent the Soviets demanded "equality" and, for example, were encouraged to MIRV missiles on submarines, the United States would under the Jackson amendment be called upon to both accept the "equality," and inconsistently, to deploy more weapons and conduct more research. If it chose the latter course, as seems to be intended, the arms race would lurch ahead again in derogation of all our professed purposes and those of the interim agreement. If "equality" is to mean anything, it must mean equality for both sides, and I submit that should mean overall equality in offensive arms. But if that were the real purpose of the Jackson amendment I suspect it would not now be offered. The amendment leaves little room for our negotiators to seek arms limitations based on true equality.

The purpose of offensive strategic nuclear weapons—ours and theirs alike—is to deter the other side from a first strike. A stable condition exists when each side has a force which deters the other from striking first. That is the situation now. We are ahead in numbers of warheads and bombers, and they are ahead in numbers of land based launchers and submarines. Inequality exists in every category of hardware. What matters is that the two overall forces are equal in their ability to deter a first strike. This agreement will not disturb that equality of deterrent capability which now exists. The Jackson amendment could.

The Jackson amendment's apparent definition of equality is so selective that it could completely undermine the possibilities for SALT II. It ignores the fact that variations in accuracy can more than make up for differences in megatonnage. It prevents silo hardness, which can enhance the survivability of a deterrent force, from being taken into account.

It prevents the present fundamental differences in ABM deployment from being taken into account. It prevents our enormous advantages in bomber forces from being taken into account. There are other factors, such as system reliability, time on station, antisubmarine warfare proficiencies, the ranges of missiles, which negotiators, the President and the Senate could consider in framing a comprehensive treaty on offensive weapons. The Jackson amendment seems to contemplate equality where we presently have lesser numbers and superiority where we have the greater numbers. The most likely consequence of the Jackson amendment, if adopted, is another spiral in the hideously expensive, dangerous and destabilizing nuclear arms race.

I have no quarrel with the notion of overall equality in nuclear offensive weapons. But I have to suspect that the purport of this amendment is to seek a nuclear superiority long since abandoned in a recognition that "superiority" is elusive and, at best, unnecessary. Each advance by one side begets a response from the other side. We end up having run very hard to stay in the same place, but always poorer and a little closer to the flash point. Superiority is now admitted even by the supporters of the Jackson amendment to be a recipe for a continued arms race which neither side can win.

The Jackson amendment has served to focus attention on shopworn and simplistic yardsticks of launchers and megatonnage. If it passes in any form it will be interpreted as a Senate effort to put our SALT II negotiators in a straightjacket of narrow numerical equality by category of arms. Nothing could make a second SALT treaty harder to obtain than to require the negotiators to produce an agreement the sole characteristic of which would be numbers adding up to equal sums on both sides for every category of weapons. No future negotiating team will conclude, let alone the President and the Senate approve, a SALT II agreement which will put our deterrent in jeopardy. We should allow the negotiators a chance. We should give them bargaining room—rather than bargaining chips—and then pass judgment on their handiwork.

Mr. President, I had thought that long before this debate we, Mr. Nixon included, had accepted the concept of "sufficiency." No one in a position of responsibility avows the need for a first strike capability.

Our nuclear deterrent has always been sufficient, and the new ABM Treaty makes it even more certain that it will remain so for the foreseeable future—long beyond the 5-year term of this agreement. The Soviet Union is exposed by the ABM Treaty limitations to attack by our tactical nuclear forces, by ICBM's, by bombers, and by nuclear warheads launched from submarines. Our submarines are by all the admissions of the Pentagon, invulnerable to enemy attack—and will remain so for many years to come. That submarine force has by itself the capability to virtually destroy the Soviet Union. We will continue to have that capacity. Enough is enough.

Our national security would be better served if we were armed in this world with a big stick—and also with our own best ideals. Strength is made up of many things. The morbid insistence upon more arms for the sake of more arms is a confession of American weakness, insecurity, and inability to establish effective civilian control of the military. We were once made strong by our ideals and our love of our country. Now our prestige in the world is at an all time low. The SALT agreements and, above all, the prospect for a comprehensive agreement on offensive strategic arms afford us the chance to carry that big stick, to harmonize our actions in the world with our own best principles, to make peace at home—and be strong. And so, Mr. President, I must oppose the efforts of Senator JACKSON and support without such counterproductive amendments as he has offered, the interim agreement which the President brought back from his momentous meeting in Moscow.

PATRIARCH ATHENAGORAS

Mr. PERCY. Mr. President, recently a great religious leader, Patriarch Athenagoras I, died in Constantinople. He was a man of great wisdom and compassion, a constructive man, a saintly man.

On July 14, 1972, the Greek Star printed a speech given by Archbishop Iakovos on the occasion of the 50th anniversary of the Patriarch's service to the Greek Orthodox Church. In his moving statement, the Archbishop refers to the Patriarch as slave to his people, proud for his service and full of joy. This was truly a man of total commitment and I shall never forget him.

I ask unanimous consent that the following excerpts from Archbishop Iakovos' speech, which so eloquently chronicles the life of Patriach Athenagoras, be printed in the RECORD.

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

SPEECH OF ARCHBISHOP IAKOVOS

January 1931, together with its sky smiled in joy as did the eyes of the Greek-Americans, upon the arrival of Athenagoras to America. His coming foretold of a Spring without end. And this Spring did not delay coming. The hope in the hearts of his new flock budded with new promise. By looking up to him the moral fortitude of his people was exalted. In his open arms their souls found a warm abode. They saw in his eyes a new sun that would warm and enlighten their faith further.

Thus his 18 years here were spent; like a constant spring, full of creation, full of inspiration, filled with the fragrance of wonderful achievements. Until another January, January 1949, took him away and carried him on the wings of a presidential plane (of President Truman) to that place, where Orthodoxy had been waiting the arrival of its own Spring.

He was building. As a worker and founder, he created; hecreated for 18 years in America. What did he not build! Churches, schools, community centers. All the flowers of his dreams set seed; and they fruited, and from their rich substance the soul of our people is nourished even today. The ruins of division were shortly covered by an evergreen ivy, his peace-making love for all. To the conclaves of our people and their organizations he brought a new and brighter viewing of reality. To the White House he took the h art of Orthodoxy through the traditional embrace and kiss of love. Boldly and lovingly he expressed it by his kiss of endearment on the foreheads of two Presidents, Roosevelt and Truman. True love casts out fear. This was his credo and his "slogan."

Twenty-three years have elapsed, since January 1949. Each one constitutes a volume of an amazing history. Historians and Chroniclers relate deeds, events, documents, statements. Their is not always the study of the spirit of events. For this reason those who would attempt to only historically sketch his Patriarchal tenure will fail. One must have lived by his side for years, must have filled his ears with his words, his eyes with his glance (which tells in silence the things the tongue does not say), one must have allowed his soul to be filled by Athenagoras' love and faith. Intangible characteristics,

these. Researchers and even critics have stopped seeking them. The time of Athenagoras as Patriarch is in the nature of a flash of light "from East to West." Darkness has retreated in fright.

The Golden Jubilee of 1972 is for us Orthodox, especially in America, the fifty years of the Episcopal service of our Patriarch. Fortunately, it coincides with another Golden Jubilee, that of our Archdiocese. One would say that the two find their true meaning in each other. They are inseparable, essentially and chronologically. And thus we, Greek-Americans, combine the one with the other as our own celebration joyful and bright. This double jubilee is, therefore, a time of reawakening, a time of giving thanks, a time of rededication. Rededication to the message and mission of our Archdiocese and our Patriarch. Cycles of years and anniversaries can prove to be cycles of vicious petty ambitions if they do not carry with them the spirit and the soul of the people and institutions that created them.

However, the two cycles within which the two Jubilees—those of our Archdiocese and our Patriarch—are brought into unison as if in a golden and unbreakable chain, contain a period of creative years, of founding years, years of progression and extension, years of rekindling and revivification, years of lighting and radiation; radiation of faith that works greatness, of love that transforms and transcends, and of hope that breeds no shame.

TRIBUTE TO SENATOR ELLENDER

Mr. SPARKMAN. Mr. President, the Senate and the country suffered a great loss when Senator Allen Ellender died.

Senator Ellender came to the Senate at the same time that I came to the House of Representatives. I have known and admired him throughout the years.

When I came to the Senate, 10 years later, I came to know Allen Ellender much more closely. I was amazed at his energy, his capacity for work, and his absolute devotion to his responsibilities whatever they were.

Allen Ellender was a man of unquestioned integrity, boundless energy, dedicated to the service of his State and the Nation.

Senator Ellender was for a long time chairman of the Agriculture Committee. Much of the legislation that is now on the statute books for the betterment of conditions among farmers throughout the entire Nation was put there under his leadership.

He was throughout the years a member of the Appropriations Committee heading some of its most important subcommittees. I remember so clearly his enthusiastic support of the development of the waterway potential of our country. As it happens, Alabama is blessed with a wonderful network of navigable streams—more miles of navigable water than any other State in the Union possesses. Our State delegation, in both Houses, has worked diligently throughout the years to have those streams improved. Year after year we have presented our case to Senator Ellender and he has always approved our programs and put them through the Senate.

Senator Ellender later became chairman of the full Appropriations Committee. As every Senator can attest, he did a tremendous job in that capacity. Still later, he became President pro tempore of the Senate and was serving in that high position awarded to him by his fellow Democratic Senators at the time of his death.

Senator Ellender rendered a great service to the Nation in his tireless work every year following the adjournment of the Congress traveling to virtually every nation of the world, inspecting our Embassies and offices in each country and at the same time observing and studying conditions there. His reports, his pictures, movies, and comments became annual classics, valuable to our understanding of world conditions.

His going was a great loss to all of us and I join my colleagues in paying tribute to him and in mourning the loss of so good a man.

PRESIDENT'S COMMITTEE ON THE NATIONAL MEDAL OF SCIENCE

Mr. PERCY. Mr. President, on July 20, President Nixon announced the appointment of nine persons to be members of the President's Committee on the National Medal of Science. The committee is responsible for making recommendations to the President for the award of the medal, which was established by law in 1959 and has been presented each year since 1963.

The purpose of the National Medal of Science is to honor individuals who, in the judgment of the President:

> Are deserving of special recognition by reason of their outstanding contributions to knowledge in the physical, biological, mathematical, or engineering sciences.

The medal is the highest recognition offered by the Federal Government for distinguished achievement in these fields of endeavor.

I am pleased to note that Dr. Charles P. Slichter has been designated as chairman of the committee for a 2-year term. Dr. Slichter has served as a member of the committee since December 1968.

Dr. Slichter is a distinguished scientist in the field of solid state physics and has spent the major portion of his time at the University of Illinois, where he is now professor of physics. He has served as a member of the President's Science Advisory Committee and the Defense Special Projects Group Science Advisory Committee. He has been a consultant to the National Science Board of the National Science Foundation, and is a member of the National Academy of Sciences.

He has received numerous awards from his scientific colleagues, among which are the Langmuir prize from the American Physical Society and an Alfred P. Sloan Fellowship.

I am also pleased to note that another distinguished Illinois scientist has been named to the committee. Dr. Nathan M. Newmark is a professor of civil engineering and the head of the engineering department at the University of Illinois. Dr. Newmark's work has been concerned with the design of complex structures, particularly those required to resist unusual stresses. His outstanding contributions to engineering have earned him a variety of awards, including the J. James R. Croes Medal, the President's Certificate of Merit, and the Vincent Bendix Award of the American Society of Engineering Education.

Also appointed to the committee was a man I have known and admired for many years, Dr. Edwin Land of Cambridge, Mass. Dr. Land's achievements as a physicist and an inventor are well known to most Americans.

Others who will serve on the President's Committee on the National Medal of Science are:

Dr. William D. McElroy of San Diego, Calif., chancellor, University of California, San Diego.

Dr. Thomas S. Smith of Appleton, Wis., president, Lawrence University, Appleton, Wis.

Dr. James H. Boggs of Stillwater, Okla., vice president for academic affairs and research coordinator, Oklahoma State University, Stillwater, Okla.

Dr. Howard O. McMahon of Lincoln, Mass., former president, Arthur D. Little, Inc., Cambridge, Mass.

Dr. H. Guyford Stever of Pittsburgh, Pa., Director, National Science Foundation, Washington, D.C.

Mr. William P. Lear, Sr., of Verdi, Nev., chairman of the board, Lear Motors, Reno, Nev.

FORTHCOMING VISIT TO THE PHILIPPINES BY SENATOR INOUYE

Mr. INOUYE. Mr. President, during the fall of 1959, soon after my election as Hawaii's first Representative to Congress, I journeyed to the far reaches of the Pacific to visit with some of our friends and neighbors in that distant part of the world. Without doubt the most memorable days of that journey were those I spent in the Philippines. The hospitality of the people of the Philippines was beyond every expectation. Although I was but a freshman Member of Congress from a freshman State, I was accorded the privilege of conferring with President Carlos Garcia and with his Cabinet.

To this day, I remember the wonderful and happy day that I spent at the barrio of the Honorable Alejo Santos, the Minister of Defense. The people of the village set aside a whole day to prepare a fiesta in my honor. It was a wonderful experience.

Again, in December 1965, as a member of the Mansfield mission, I revisited the "Pearl of the Orient." Once again it was a most joyous visit. The time was immediately following the 1965 national elections in the Philippines. We were privileged to meet with the President-elect, the most distinguished soldier, statesman, and leader, the Honorable Ferdinand E. Marcos.

Like all members of the Mansfield mission, I was deeply moved by the charm, the beauty, the brilliance of the First-Lady-to-be, Imelda R. Marcos.

There was much joyful anticipation in Manila. The atmosphere was exciting as the people of the Philippines prepared for the gala inaugural ceremony. People were literally dancing in the streets.

Mr. President, I will now once again return to the Philippine Islands. This time it will not be for a happy occasion, for I will be returning as the newly

designated chairman of the Foreign Operations Subcommittee of the Senate Appropriations Committee to make a personal, on-the-spot, onsite investigation of the aftermath of the terrible and devastating floods which have ravaged much of this land during the last 3 weeks of July and the first week of August.

Our analysis to date shows not only a heavy loss of life—estimated in excess of 500—but also more than 2 million made homeless with a massive destruction of property, crops, transportation systems, water supplies, irrigation systems, and public and private facilities of all kinds.

An exact dollar amount is not available but the latest U.S. estimate totals $375 to $450 million loss in terms of damage to the infrastructure and lost production. For a nation with the resources and GNP of the Philippines, this imposes a dreadful burden which cannot be met from local resources.

Predisaster assistance requirements were estimated at $200 million. The disaster assistance requirements are estimated to range in the $200 to $275 million range for a total assistance requirement of $400 to $475 million. This is, and should be, a multinational and multilateral effort.

The recent flood is the worst natural disaster in recorded Philippine history. It is the greatest devastation to hit that nation since World War II. Beginning July 7 and continuing through the first week of August, rains dumped more than 80 inches of rain in the central Luzon lowlands and as much as 180 inches in the highland areas surrounding that valley. The typhoon season will continue for yet another 6 weeks to 2 months.

These floods have not only been accompanied with significant loss of life and property but with cholera, gastroenteritis, and pneumonia as well. Food is scarce and it may prove impossible to replant the current rice crop in this area which accounts for some 26 percent of the Philippines total rice production. Many of the rice fields have been covered with sand and rocks and will be unusable for that crop now or in the future. Many farm animals have drowned, feed stocks have been destroyed, dikes and drainage ditches have been impaired, and the heavy monsoon winds drove salt water inland at some points for 60 miles, further impairing rehabilitation of the land.

The breakdown in transportation hampered relief efforts and has made recovery most difficult. Large sections of the roads and railroads have been washed away as have some 25 major bridges and a number of dikes. The area lying between Manila Bay and Lingayen Gulf was turned into a virtual sea stretching for some 125 miles in length and in some places up to 35 miles in width. The truly awesome task of rehabilitating the 3,000 square miles which is the home of almost 8 million people is about to begin.

Thirteen years ago during my first visit to the Philippines, a distinguished member of President Garcia's Cabinet said in all seriousness to me:

We Filipinos are the children of America.

Mr. President, a very honest appraisal of the history of our relationship with the people of the Republic of the Philippines will disclose that there may have been moments when the Filipinos have had reason to believe that they were the neglected and forgotten sons and daughters of America.

Mr. President, in this, their hour of tragedy and disaster, let us not forsake our sons and daughters. Let us not forget our friends. As a Member of the U.S. Senate and as an American, I feel confident that in this time of need, all Americans will respond as one to offer to our Filipino friends our sincere and compassionate hand of help.

Mr. President, I intend to leave the United States on Saturday, August 26, and return a week later. I hope to return with sufficient information and insight to assist the Senate in formulating and pushing forward a plan of appropriate assistance to our friends in the Republic of the Philippines.

CRISIS OF THE SPIRIT

Mr. HUGHES. Mr. President, on Wednesday the distinguished junior Senator from Missouri (Mr. EAGLETON) spoke to the National Student Association about America's crisis of the spirit.

He discussed the war, racial strife, and poverty in his usual compelling and forthright way. And he called upon his listeners, and all Americans—

Not to demean those who oppose you, but to encourage understanding—not to scorn disbelievers, but to convince by reason—not to belittle, but to search out and praise those qualities that are praiseworthy—not to contribute to polarization, but to inspire unity.

So that all may have an opportunity to read this message, I ask unanimous consent that Senator EAGLETON'S speech be printed in the RECORD.

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

SPEECH TO THE NATIONAL STUDENT ASSOCIATION, CATHOLIC UNIVERSITY NURSING AUDITORIUM, WASHINGTON, D.C.

On the ancient walls of the Greek temple at Delphi there is inscribed the words, "Know thyself"—an admonition that has survived the ages as a fundamental principle for mankind.

Knowledge of one's self is an essential first step in finding the sources of strength to persevere in the face of adversity. I believe that the same principle has profound meaning for nations, as well as for individuals. It could well be applied to America today.

America is undergoing a crisis of the spirit. As a nation, we are beset with a series of disturbing problems . . . status anxieties . . . persistent racism . . . repression, frustration, and aggression . . . outburst of violence . . . and a general melancholy feeling of alienation and disenchantment.

As a society, we reflect a multitude of polarizations . . . young against old . . . poor against rich . . . city dweller against suburbanite . . . white against black . . . the forgotten Middle American against the Establishment.

It is time that we apply the principle of self knowledge to our nation as a whole. It is time that we realize that democracy is not only a system but a state of mind. It is time to understand that we as a nation are not only a composite of institutions and ideologies but attitudes and mentalities. It is time that we begin the process of knowing ourselves.

A few months ago I received a letter from a man in Kansas City whose son had died the previous day of a drug overdose. The man was understandably emotional but his view of the tragedy that had beset him is reflected every day in our polarized society. He talked of a deteriorating society, and he blamed unbridled permissiveness and excessive freedom. He was a distraught man who felt that America had betrayed him.

The frustrations and the fears of this bereaved father are not exceptional today. They run deeply in the minds and hearts of an alienated and troubled middle America.

Unfortunately there are those in positions of power in this country who would prefer to encourage frustration and transform fear to political gain. This activity is being pursued in this election year with an enthusiasm that is undercutting our national purpose and will. Our challenge, yours and mine, is to prove that our free society can withstand these appeals based on fear and suspicion, and remain free, humane, and creative.

We ask ourselves as we look at the issues that have torn the fabric of our society—Vietnam, racial strife, poverty, law and order—are they the causes or the effects of America's crisis of the spirit?

In Vietnam this past weekend another record was broken—a record we cannot be proud of. More B–52 bombing runs—200—were made over North Vietnam than ever before.

Prominent Americans have reported that schools, hospitals, homes, dikes, and people have been obliterated by American bombs.

These reports are deeply disturbing, not only to those of us who over the years have opposed our involvement in Vietnam, but also to millions of other Americans who have hesitated to question decisions made by the President. Beneath the anger and dismay they direct at the messengers who bring the bad news from North Vietnam, there lies a sorrow and despair over this never-ending violence.

The Administrator, sensing only the anger and dismay, prefers to play to those emotions and to question the loyalty and the patriotism of the messengers. They prefer to "curse the darkness" rather than "light the candle" and discover the sadness felt by America.

The real conscience of America questions the larger issue—the bombing of a backward, agricultural society to preserve a policy built on the false pride of the President of the United States.

The pride of a nation is much like the pride of a man.

A great man is acclaimed by others and need not acclaim himself. A weak man compensates with artificial power and boisterous bravado. A great man understands his fallibility and acknowledges error. A weak man admits no fault.

What we are doing today in Vietnam is not a sign of greatness it is a compensation for failure.

The only conclusion I can draw is that we have embarked on a course of raw retaliation. The President's policy has been threatened, and there is nothing more vengeful than the wounded pride of a king.

America is a great country. We do not need false pride. We can acknowledge error and we must.

Even those citizens who believe that America should support its President, must be deeply troubled by the moral vacuity of our bombing policy.

Never before in our history have the American people been subjected to such a

conflict of previously unquestioned values. And never before has moral leadership been so conspiciously absent in the President of the United States.

But in Vietnam a cause or an effect of America's crisis of the spirit?

Four years ago a nation deeply troubled by the violence of racial riots searched its heart for an answer to what appeared to be blind hatred. President Johnson established a commission to study the matter and to report to the nation. This Report of the National Advisory Commission on Civil Disorders—the Kerner Report—was not widely read, but the impact was great. When the report was released the headlines read, "America is a Racist Society."

No one enjoys being called a racist. And America was again forced to cope with an unbecoming view of itself.

Since the Kerner Report we have learned a new term that somehow buffers the reality of our image. We are now told that much of the racism in America is "institutional." It's a fine term. It tells Americans that they are not really to blame. Americans aren't racists, the institutions of our society are racist.

So, we ignore the medicine prescribed in the pages of the Kerner Report, we depersonalize the terminology . . . and we perpetuate racism.

But is racial conflict a cause or an effect of America's crisis of the spirit?

In 1964, President Lyndon Johnson declared a "War on Poverty." For a nation that badly needed a lift after the assassination of one of its most beloved Presidents, the effort to extinguish poverty was a compelling challenge—and it salved a pained national conscience.

As a nation, our best instincts were awakened by this opportunity to tackle a problem that had defied mankind for ages. The air of optimism grew as programs were formulated and agencies created. In the face of such human and monetary resources victory would only be a matter of time.

But what was the result?

Today we are left with nothing more than the remnants of good intention and the hollow feeling of failure. The effort to eliminate poverty has largely been abandoned and unemployment is now regarded by the Administration as a tool to stop inflation. The result is a lingering cynicism among those whose hopes were first elevated—and then dashed—as commitment turned to benign neglect.

But is poverty a cause or an effect of America's crisis of the spirit?

America is a great nation—but not because its greatness is often and loudly asserted by public figures whose leadership consists largely of leading cheers. Rather it is because we have demonstrated time and again throughout our history that we have the capacity to look within our society, to recognize where we have gone wrong, to regenerate ourselves and emerge from the ordeal even stronger. In short, we have demonstrated that the admonition, "Know thyself" is as apt for a nation as it is for an individual.

Your generation has been in the forefront in forcing America to confront its conscience. But today your challenge is greater than ever. You must sell yourselves and your ideas as never before.

As you carry your message in 1972 you must remember that your mission is not to demean those who oppose you, but to encourage understanding . . . not to scorn disbelievers, but to convince by reason . . . not to belittle, but to search out and praise those qualities that are praiseworthy . . . not to contribute to polarization, but to inspire unity. This way you can help America to know itself.

This year more than any other in our history the American political process offers a choice. The new message of hope that is being carried by George McGovern is being countered by Richard Nixon's appeal to fear. The destiny of our nation will be decided by this struggle between faith and anxiety.

If those of you who have the message will work hard to carry it to every American . . . if you will get out and register the young, the poor, the minority Americans, to vote for change . . . if you will help America to know itself . . . we will say on November 8 that 1972 was the year, not when America lost its way, but the year when America found its conscience.

CEQ REPORTS ON THE DELAWARE VALLEY

Mr. BOGGS. Mr. President, the President's Council on Environmental Quality recently issued its third annual report. As with the two previous documents, this report provides an excellent evaluation of our environmental challenges.

Press attention, however, has centered less on excellence of the report than on the so-called lost chapters. Contrary to some opinion, it seems to me that no evidence exists that these chapters were omitted in an effort to "hide" information, as some have argued.

The truth is that these portions of the report have not been completed. Although they are still in rough draft form, the chapters are available to the public and to the press for review. I have recently had the occasion to review these chapters, and I would like to give Senators a brief description of their contents.

There are three unpublished chapters. One involves energy, analyzing the types of energy-producing systems in use today, the fuels demands of these systems, and the systems' impact on the environment.

Another chapter concerns recycling. It discusses the problems associated with the various types of waste recovery, mentioning various proposals seeking to improve the demand for, and reducing the cost of, recycled materials.

The third, and most comprehensive, chapter involves an environmental study of the Delaware River Valley.

This region, which includes portions of my own State of Delaware, as well as New York, Pennsylvania, and New Jersey, was apparently selected because it offers a wide contrast of various threats to the environment. This great region encompasses both highly industrialized urban and port centers and untouched, rural mountain and coastal regions. The environmental challenges confronting the Delaware Valley are varied, the draft report notes, ranging from air and water pollution to urban blight to land-use confrontations.

The draft report stresses the historical development of the valley, for knowledge of these development patterns is helpful to an understanding of present-day challenges.

Natural harbors and waterways, plus rich mineral deposits, enabled the region to foster American commerce and industry. Factories and railroads sprouted along the banks of the Delaware River and its tributaries. Industrialization brought sharp population growth to the valley.

Over the past few decades, changes in technology and transportation have caused much heavy industry to leave the crowded river fronts in search of suburban locations near highways. The population has followed.

After developing this general background the study focuses on several specific topics.

One is the so-called urban problem. Such problems are not necessarily new to the valley, as they are not new to any major area in the East. In view of a diminishing tax base created by a migration of middle- and upper-income families to the suburbs, city governments confront an awesome task in trying to restore housing, improve services, and enhance the environment.

Urban waterfronts have become industrial graveyards lined with rail lines and abandoned piers and factories. The draft report makes the point that the possibility of reclaiming these areas for recreational purposes exists, but that the historic trend makes this appear unlikely.

The report, however, examines in detail two examples of waterfront revival. One is the Penn Landing-Society Hill section of Philadelphia, where new life and vitality have been brought in to the area of restored housing, new shopping districts, and easy access to highways. Only a few years ago, this was the site of decaying warehouses and obsolete wharves.

South of Philadelphia one finds a good example of wetland preservation in an urban area, the Tinicum Marsh. Although some of the marsh area was used for the construction of Interstate Highway 95, 200 acres remain. Another 130 acres could be reclaimed. In fact, this marsh has been designated a National Wildlife Refuge by the Department of the Interior, the first instance of such a site in an urban area.

It seemed to me, in evaluating the draft CEQ study, that such urban environmental revival is necessary and vital.

The draft report also examines the suburban expansion that has occurred in the urban corridor that cuts down and across the Delaware Valley. The burgeoning suburbs, once limited to the peripheries of cities, have now spread into once rural regions. Improved transportation has made such areas easily accessible. The financial incentive to development has produced rapid change, with little thought to the environmental impact, the report notes.

The report goes, in some detail, into the difficulty in obtaining effective regional planning on land use, due to decentralized control and conflicts in the goals of various groups.

Of course, the Delaware Valley is but an example of a situation that is occurring from Casco Bay to San Diego Bay. That, I believe, is why this report is important, and should not be rushed out in final form just to suit a timetable.

This draft report then turns its attention to the Delaware Bay region. This area, which lies outside the corridor of

the New York-Washington megalopolis, is relatively untouched by the hand of man. Its farmland is among the most productive in the Nation. Its tidal marshlands, and the bay itself, are home to a wide variety of wildfowl, fish, and shellfish.

This region, however, confronts the possibility of major change from tranquility to development. Once of little interest to industry and developers because it lacked proximity to urban markets and raw materials, the lower bay has grown increasingly attractive, the report notes, because of improved highways and the need of major industries to find the space outside the crowded cities.

Perhaps the most important potential impact of all is the fact that Delaware Bay could provide the potential deepwater facilities needed for huge, bulk-cargo ships.

Indeed, this port question is an issue of considerable controversy at the moment. According to the draft CEQ report, conservationists in New Jersey and Delaware believe that the creation of deepwater ports, even miles at sea, would eventually mean an end to the tidal marshes and wildlife refuges that line the bay.

The report also devotes considerable attention to the fact that the State of Delaware has passed legislation to ban or control industrial development along the bay's shore.

But heavy industry is not the only threat to preservation of the coastal environment, the report notes. Poorly planned vacation homes, warehouses, and the destruction of sand dunes by man and by nature are other factors. The report makes the point that few tools exist for long-range planning on such complex problems.

The New Jersey Wetlands Act made a step in this direction, requiring permits for development in wetland areas.

While the draft report does not make this point—an oversight that may be cleared up in the final report—Delaware has recently taken steps to place a freeze on future wetlands development, as part of an overall environmental and developmental study.

The CEQ concludes with an environmental analysis of air and water pollution in the Delaware Basin, and the steps to correct it. The report discusses the work of the Delaware River Basin Commission, which is composed of the Governors of Delaware, New Jersey, Pennsylvania, and New York, as well as the Secretary of the Interior. This Commission serves as a forum and a mechanism for working toward effective pollution control.

In conclusion, Mr. President, the report appears to me to be an objective analysis of the Delaware Valley: its challenges and its opportunities. As I said earlier, I can find nothing in these chapters that would lead anyone to conclude that they are being suppressed. Rather, I believe they are being evaluated carefully so that they can provide the best information and analysis possible when eventually published.

SUSPENSION OF EUROPEAN TARIFF ON BEEF COULD HELP ALABAMA FARMERS

Mr. SPARKMAN. Mr. President, the European Community on June 5 suspended its 20-percent tariff on beef imports. A recent edition of its publication, European Community, notes that consumer demand in the nations of the Common Market will outpace supply by 600,000 tons this year, an increase of 14 percent over last year.

Even so, beef consumption in the Common Market is only about 57 pounds per person, compared with well over 100 pounds in the United States—so they have a long way to go. And, the Common Market with 190 million people is only part of Western Europe, which has a population of nearly 300 million.

The Senate may recall that in 1965–66, the Senate Small Business Committee held extensive hearings on the potential for exporting American beef to Europe.

At that time, our committee estimated that a total import gap in Western Europe approaching 1 million tons a year would be a reasonable prediction for the future.

We also found that Europe was hedged around with barriers to trade in American beef products. Some were official, such as the variable import levy; and some were very unofficial, such as unfamiliarity with the excellence of American grain-fed table meats. However, the June action of the European Community appears to be a step in the right direction in reducing these barriers.

It is well known that the sale of beef animals accounts for nearly one-fourth of farm income in this country and has always been one of the leading commodities in my own State of Alabama. Thus, many small farmers and livestock raisers in the Southeast would be in a position to benefit from the development of an additional large market for U.S. beef on the increasingly wealthy European continent.

This is especially true since American balance of payments is in such sad shape. I believe that our overall balance of payments was in deficit last year by the sum of almost $30 billion, which approximates the total deficits for the 10 years before 1971. Through the first half of 1972, the figures for merchandise trade, which have been a consistent money earner for the United States since 1893, stood in deficit by a striking $3.3 billion.

This market, therefore, seems an area where American farmers could help their country as well as themselves, and I hope that farm, meatpacking, and other organizations concerned will keep abreast of these developments and opportunities.

I ask unanimous consent that an article published in the European Community, August–September 1972, page 7, be printed in the RECORD.

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

EC REMOVES TARIFF ON BEEF IMPORTS

In hopes of halting the spiraling cost of meat in the European Community, the Commission on June 5 suspended the Common Market's 20 per cent tariff on beef imports.

The Common Market has used tariffs to protect domestic suppliers of meat, whereas the United States limits imports by quantitative restrictions. In a similar action on June 26, President Richard M. Nixon ordered quotas removed on meat imports into the United States.

More than 10 per cent of Community beef needs have been imported in recent years. According to the Commission's calculations, Community demand for beef will outstrip Community supply by 600,000 tons this year, an increase of 14 per cent over 1970–71. World market supplies may not fill this gap, the Commission said. For example, Eastern Europe, an exporter until 1969, has now become an importer of frozen beef.

Despite price increases, consumption of beef in the Community has been steadily rising. In 1966–67 Community consumers were eating an average of 49.25 pounds of beef a year. By 1969–70, consumption had risen to 56.75 pounds.

Increased competition from abroad in EC markets, following the suspension of Community tariffs on beef imports, does not alarm France's famed Charolais beef cattle. Tariffs will be reapplied if the EC average falls below 113 per cent of the recommended guide price, or if prices in any country fall below 109 per cent of the guide price.

THE COMMUNIST MASSACRE AT BINHDINH

Mr. BUCKLEY. Mr. President, last Monday's Washington Evening Star and The News contained a timely reminder of the nature of the North Vietnamese enemy. I say timely because the reports of the unspeakable atrocities—including live burial—committed by the Communists come at a time when there are those who scoff at the idea that a Communist victory in Vietnam would lead to a bloodbath.

The methodical, well-planned and deliberate Communist slaughter of South Vietnamese, whose only crime was to work for the South Vietnamese Government, is evidence that cannot be ignored. This kind of atrocity has been an acknowledged part of the Communist campaign to dominate the south ever since this war began. The massacre at Binhdinh demonstrates beyond any doubt that such a policy is still in effect.

Mr. President, how can anyone continue to cling to the belief that the Communists will show mercy to their conquered enemies in the face of such evidence. In Binhdinh Province we have an unequivocal and horrible portent of things to come if South Vietnam is overrun by the Communists.

I ask unanimous consent that the editorial entitled "Massacre at Binhdinh" be printed in the RECORD.

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

MASSACRE IN BINHDINH

It is a fervently held article of liberal faith that if the United States will just get out of Indochina, all will be sweetness and light among the Vietnamese people, North and South, Communist and non-Communist. Those who chant this doxology ignore the execution of thousands of Vietnamese and flight of tens of thousands more when the Communists took over in the North in 1954.

They ignore the mass graves containing the bodies of more than 2,600 South Vietnamese civilians murdered at Hue during the 1968 Tet offensive. So they should have no difficulty whatsoever in glossing over the less numerous casualties of the more calculated reign of terror which has taken place at Binhdinh province on the central coast of South Vietnam the past three months.

Binhdinh fell quickly to the North Vietnamese in early April and it was not until July that Saigon's forces launched a serious effort to retake it. So the Communists had plenty of time. There was no need to hurry, as there was in Hue in 1968, when American and South Vietnamese forces counterattacked within days of the city's fall.

According to intelligence reports and on-the-spot interviews with survivors, the Communists were extremely methodical. They rounded up hamlet and village chiefs, pacification workers, policemen, militiamen, teachers, doctors, nurses, clerical workers, literally anyone who had had any connection with the Saigon government. "People's courts" executed several hundred (perhaps as many as 500) and shipped an estimated 6,000 others off to "people's prisons" in remote areas of the Communist-held Anlao valley. Most of those killed apparently were executed by rifle fire but others were buried alive, beheaded or hacked to pieces.

None of this represents any new departure in tactics on Hanoi's part. Aside from the general massacres in the North in 1954 and in the South during the 1968 Tet offensive, the murder and kidnaping of South Vietnamese officials has been part and parcel of Communist "liberation" since the war began. In the past four and a half years, nearly 25,000 South Vietnamese civilians and officials have been executed by the North Vietnamese Communists and the Viet Cong.

There have, of course, been atrocities on the Allied side. But anyone who is still prepared to maintain that a Communist takeover in South Vietnam would not lead to a bloodbath of major dimensions is simply ignoring the evidence at hand. A politician like Senator McGovern, who advocates a quick and unilateral American withdrawal from Southeast Asia, need look no farther than the shallow graves of Binhdinh province to see where the policies he advocates would lead those who have placed their trust in the United States.

BETTER TRANSPORTATION FOR THE AGED

Mr. CHURCH. Mr. President, I invite the attention of the Senate to a most provocative article published in the summer edition of the periodical City. The article, by the Institute of Public Administration's transportation expert Sumner Myers, is entitled "Turning Transit Subsidies into 'Compensatory Transportation'."

Aside from discussing the need for urban transportation reform in a most knowledgeable way, Sumner Myers makes some excellent suggestions as to how public transit could be made more available and more convenient for the aged and the infirm. He suggests that subsidies for public transportation be weighted so as to make it more attractive for transportation companies to provide better service for the aged. He suggests, for example, that bus companies use tokens that would give them extra subsidies for elderly riders. A special token used by the aged would qualify the company for extra payments. This would result in a move by those companies interested in higher revenues to attract more elderly riders. Schedules and routes that appealed to the elderly would receive more attention from transportation companies. These and similar ideas point in the direction in which transportation reform should move.

I call this excellent article to the attention of those legislators who are concerned with the provision of better transportation to those who must rely on means other than the private automobile.

I ask unanimous consent that the article be printed in the RECORD.

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

TURNING TRANSIT SUBSIDIES INTO "COMPENSATORY TRANSPORTATION"

Several years ago an MIT professor observed that ". . . transit subsidies are needed to enhance the mobility of the poor and the physically handicapped whose relative mobility has been steadily decreasing." At the time, his recommendation was academic: The Nixon Administration was in no mood to subsidize transit, much less on behalf of the disadvantaged.

But times have changed. The professor, Alan Altschuler, is no longer an academic; he is secretary of transportation and construction for the state of Massachusetts. And federal subsidy is no longer an academic issue; it is a virtual certainty. A well organized and highly effective coalition of transit, city, and suburban forces seems likely to push an operating subsidy program through Congress this year. Led by Fred Burke, whom the National Journal has called "the heart, soul, and brain of the urban transportation lobby," the coalition has split the administration's opposition and all but convinced Congress that help is desperately needed. Even Virginia's conservative Joel Broyhill allows that "Subsidy has always been obnoxious to me, but in the case of local transit there ain't no other way.

Broyhill is right: Without subsidy, local transit is likely to shrivel in most cities, disappear in others. Surely transit has to be kept alive and healthy, but it's time to ask, For what purpose? The answer depends on one's sense of priorities. I believe that transit must do more than just keep automobiles off the streets. That is unquestionably important, but a more important mission for transit, it seems to me, is to provide an acceptable level of mobility for people who can't use automobiles. That is, transit must be kept alive and healthy to provide an essential social service. And this simply cannot be done without some form of subsidy.

Subsidy as such is hardly the question anymore. The real question is, How shall the subsidies be given? Given properly, they could be the lever for radically overhauling the nation's transit systems, first, to better serve those for whom public transportation is an essential service—the poor, the old, and the physically handicapped—then, to serve everybody.

The transit operators of this country—public and private—unquestionably need some kind of subsidy if they are to provide essential transportation services. The people who need these services simply can't afford to pay what it costs to provide them. And so, of course, the services are barely provided. I suggest that we abandon our niggardly approach to this twin problem. Instead of giving transit operators barely enough subsidy to keep them going, let's pay them a premium for carrying the particular groups that need service. That is, let's provide the transit operators with a kind of subsidy that has a built-in incentive to improve transportation for the people who can't use automobiles.

For example, suppose the aged and the physically handicapped were provided with tokens worth double or triple the usual fare *to the transit company*. You can be sure the transit company would "try harder" to earn those extra-value tokens. To begin with, it would try to provide frequent and courteous service in the off-peak hours when the premium riders need service most. If the tokens were worth enough money, the transit company might even try some innovative services—perhaps a door-to-door service, which is what the disadvantaged really need.

The basic principle I am advancing is simple. Create a lucrative new market for transit by transforming the disadvantaged into "premium passengers." Transit will then have to *earn* its subsidy by improving service for those who need it most. As service is improved, others will use it too.

I've used extra-value tokens in my example to illustrate the importance of creating a new market for transit companies. Tokens, however, do have certain drawbacks. Some are administrative: How should the tokens be given out? But the most important drawback may be psychological. For example, the aged and the handicapped might be willing to accept tokens that would identify them as premium passengers. But if the poor were to get such tokens to identify *them*, I'm afraid everybody would find the token system distasteful. Many people want to avoid the "stigma" of welfare if they can. In some model cities programs, for example, it was not unusual for the aged to refuse to ride free buses because "free" implied "welfare."

The welfare stigma could be completely avoided and much the same groups helped by paying the transit company a premium *for each passenger riding at off-peak times*. For each such passenger, the government would pay the operator a set figure, say 20 cents. A direct premium payment for all off-peak riders would be simple to administer. Most important, it would fit in with the travel patterns of the disadvantaged who very often are without jobs or work sporadically. Those without jobs generally prefer not to travel during rush hours. When they travel at all they prefer to travel during middays, evenings, and weekends. Right now they travel less than they would if fares were lower and service better. Their mobility is severely limited, even at rush hours, because public transportation service is barely adequate except on routes leading to the center of town. At other times the situation is worse. Public transit just doesn't go near where most people want to go. To make matters still worse, the disadvantaged can ill afford to pay ever-higher fares. The combination of irrelevant service and exorbitant fares discourages ridership and, without access to automobiles, virtually immobilizes the disadvantaged.

The existence of a large unmet need for public transportation at a low price has been demonstrated in Atlanta. When that city cut its transit fares from 40 to 15 cents, ridership went up across the board. Peak (commuter) ridership went up be only 10 percent, but midday and weekend ridership rose by 32 and 40 percent, respectively.

Low fares, however, mean high deficits. Atlanta's bus system used to break even. Now it loses $600,000 per month, though many more passengers are carried. Obviously, no transit company will understake such a program on its own no matter how socially desirable it is to increase ridership. Conclusion: A reduced fare program of this type is only possible with a large public subsidy.

Atlanta's subsidy needn't be so large if rush hour fares were kept at 40 cents for everybody except perhaps the poor. As a prac-

tical matter, a 10-percent ridership increase at the peak is relatively insignificant. Its effect on the region's total automobile ridership is virtually imperceptible. Its effect on the deficit, however, is substantial. The extra subsidy needed to make up that part of the deficit necessarily diverts money that could be used to help the people who ride at offpeak times. At these times, ridership will go up sharply as fares come down because most off-peak riders will respond to a financial inducement to ride.

Ridership would go up still more during off-peak times if services were radically improved. That's where a premium passenger system could offer a powerful incentive for change. For example, offering transit companies somewhat more than $1 for each premium passenger carried would probably generate a strong market for door-to-door bus systems—even in relatively low-density suburbs. Research indicates that door-to-door transit service would cost somewhat less than $1 per ride. While door-to-door systems might come into being in response to the lucrative new premium passenger market, once operating they would be available to everybody. This, in turn, would free everybody, poor and nonpoor alike, from being completely dependent on the automobile.

It should be emphasized that the problem of developing door-to-door transit systems is largely a problem of developing markets for them. The technology is practically in hand. But even if it were not, as technologist John Rubel once said, "If you want rockets to the moon, make a market for rockets to the moon and you will get rockets to the moon." So it is with transit systems. If the poor, the aged, and the physically handicapped could be transformed into a high-paying market for door-to-door systems, it is almost a certainty that companies would develop door-to-door systems to serve them.

Under current policy (such as it is) transit companies are asked to "do good" by offering discount fares to certain groups, principally the aged. In Washington, D.C., for example, those over 65 can ride during the off-peak hours and Sundays for 25 cents rather than the full fare of 40 cents. On an average day, some 8,000 to 9,000 oldsters take advantage of these discount fares. There is no public subsidy to make up the difference and nobody seems to know whether D.C. Transit is gaining or losing by this policy. What is clear, however, is that the unsubsidized discount fare arrangement offers D.C. Transit no incentive whatsoever to improve services for its aged passengers—or for anybody else. At the same time, D.C. Transit is experiencing a deficit of $4 to $5 million per year.

D.C. Transit might "earn" a subsidy big enough to cover its deficit if those over 65 were to become premium passengers. If each of the discount passengers paid his fare with a token worth $1.50 *to the transit company,* the company would net approximately $3 million more than it does today. While $1.50 may seem like a high premium, remember that somehow the money it adds up to has to be given to the company one way or another if it is to avoid bankruptcy. The policy question is how to give the money to spur desired change. The company would avoid bankruptcy and easily wipe out the rest of its deficit by doubling ridership among the elderly. Doubling the ridership of elderly passengers would surely require some extensive service improvements which, of course, would cost additional money. But a profit-minded transit company should be more than willing to invest this money if the net effect is to bring it out of the red—and into the black. In any event, a good potential market of premium passengers seems to exist in the Washington SMSA. Living there are 170,000 persons over 65, few of whom now ride D.C. Transit. To this potential market might also be added 136,000 handicapped adults who are not institutionalized.

Alternatively, if D.C. Transit received an extra 20 cents for every off-peak passenger it now carries, more than half its deficit would be met. Again, the transit company might erase its whole deficit by doubling its daily off-peak ridership. And again, this would require some investments in service improvement—which is precisely what we want to get.

The numbers I've used are, of course, illustrative. It would take a bit of systematic experimentation to set the premium at the right price. The natural tendency will be to set it too tight—a serious mistake. I would urge—at least for starters—that the premium be set on the generous side. We should take full advantage of the profit motive to help transit save itself. The transit company should be able to more than just cover its costs of providing service for the disadvantaged; it ought to be able to earn enough money serving these premium passengers so that it could afford to improve transit for all passengers—including peak passengers. Granted, this principle of generosity will be a difficult one to implement, especially because it calls for larger subsidies than are needed just to cover transit deficits.

The total amount of transit subsidy needed is fairly substantial. According to the American Transit Association, the total annual deficit for all transit companies is on the order of $400 million per year. Big as it is, however, if the whole transit deficit were to be financed through a gas tax, it would hardly be felt. It would add a third of a cent to the cost of each gallon. To be generous enough to improve the lot of commuters with fares "spent" by premium passengers would probably double the total subsidy required. Even so, this would only amount to two-thirds of a cent per gallon of gas. Such an amount could radically change public transportation—first on behalf of those who are dependent on it, but also on behalf of those who might prefer to use transit instead of their automobiles.

Subsidizing transit from a tax on gasoline is hardly a unique idea. But I think that the real argument for doing so is different from that usually put forward. The usual argument is that improving transit decreases congestion and thereby offsets the need for more highways. Curiously, the only people who seem to take this argument seriously nowadays belong to the highway lobby. In fact, highway lobbyists believe it so strongly that they fight transit subsidies tooth and nail. If a different kind of argument were presented—one that is not based on decreasing the "need" for highways—the highway lobby would have less reason to fight against the use of gas-tax money for transit subsidies. In any event, I would suggest that the thrust of the subsidy argument be for *compensatory transportation.*

Whether transit offers the need for highways or not, the argument for compensatory transportation is valid on its own terms. Transit dependents are dependent because they cannot drive automobiles. Public transit is the only way they can get about on their own. This would not have been too serious a matter, say, 30 or 40 years ago, before so many people had access to automobiles. In those days, transit provided virtually ubiquitous and frequent service at all times—peak, off-peak, and weekends. As automobiles became more and more popular, transit patronage, of course, fell off. Ridership fell off much less during the peak, however. (Buses and trains heading downtown are still crowded because parking space there is scarce and expensive.) At the same time, transit lost most of its riders during the rest of the day and on the weekends. That's when people travel for social, recreation, shopping, and medical reasons. Since nothing could beat the automobile's door-to-door service for these kinds of trips, people used automobiles, and transit ridership dropped precipitously. When and where transit ridership fell off, transit companies did what most businesses do: cut back on service in response to falling demand. This did not hurt those who could use automobiles, of course, but it practically immobilized those who couldn't and were dependent on transit.

The automobile damaged transit in still another, more pervasive way: It made transit's peak services more and more irrelevant. Transit can best serve downtowns where trip ends are reasonably concentrated. But the automobile spread out the city in such a way as to make it virtually impossible to get from home to work or anyplace else except by automobile. Transit continues to service the downtown areas, but only a small fraction of travel demand is to the downtown. This means that people who have no access to automobiles can go downtown at the peak, but as a practical matter they can barely go at any other time because service is so poor. Nor can they go anyplace else, because service is nonexistent. And so it is that people with automobiles enjoy their mobility at the expense of people who do not have automobiles. Surely, the latter group is entitled to compensatory transportation.

Their numbers are much larger than one would think. They are, in effect, a silent minority, comprising the uncomplaining old and physically handicapped, the young and the poor. In 1970, over 20 percent of the U.S. households did not own a car. Among the poor and the elderly, car ownership was even lower. 57.5 percent of all households with incomes under $3,000 did not own a car. For households headed by persons 65 years of age or older, 44.9 percent did not own a car. Those too young to drive but old enough to travel alone are also immobilized. Of the youths between 10 and 18 years of age, 80 percent are dependent on others, including public transit, for their mobility.

The physically disabled deserve special mention because they represent a large, unserved market for good public transportation. Mostly poor, they currently number about 6 million persons. Of these, about 5.7 million are potential riders of public transportation if the system could take them door-to-door. Again, such a system would probably come into being if the transit company were able to get approximately $1 per passenger trip as it might through the premium passenger system.

In some ways we are not too far from the concept of providing the subsidy through premium passengers. A House bill under consideration proposes to credit the transit company for each passenger carried, whether peak or off-peak. This concept should be refined to pay the transit company only for passengers carried during the off-peak hours. Unless it were a very high amount, a straight per-passenger subsidy would have little if any effect on transit service because it would not provide the incentive to improve off-peak service to attract more riders. As Atlanta has demonstrated, the only time when large numbers of additional people can be attracted is during the off-peak times.

Won't these people—most of whom are poor—cheat on the premium passenger system? Would they sell their tokens to unauthorized users? Perhaps, but the likely effect of a few individual abuses is negligible compared with the likely effect of the systematic abuse that would be possible if the transit companies were simply given a subsidy. The recent housing subsidy scandals have driven home the lesson that even red tape can't prevent large-scale abuse if subsidies go through producers before they get to consumers. Moreover, little subsidy actually gets to the consumers.

Of course we can't be sure that the pattern of abuse in housing would repeat itself in transit. We can be sure, however, that a transit subsidy not keyed to market performance will not reach the consumer. It will surely not improve transit service. At the same time, the premium passenger system is disciplined by the market. Assuming the premium is set generously enough, if the transit company makes money on it, we will know that the disadvantaged are fast being served. If not, we will know that the transit system really isn't essential after all. In that sense a premium passenger system is a "no lose" game.

THE 25TH ANNIVERSARY OF INDEPENDENCE OF INDIA

Mr. PERCY. Mr. President, on August 15, 1947, the people of India became independent of Great Britain. In the 25 years that have followed, India has made great technological, agricultural, medical, and social advances. India has become a great nation.

Recently, the Governments of the United States and the Republic of India have had their differences. But our countries share common goals and are devoted to common principles of justice and liberty, and I am confident that the friendship that has always marked the relationship of our two peoples will be renewed and strengthened in the years ahead.

I invite the attention of the Senate and the American people to the text of President Nixon's message of congratulations to the Government and people of India on the occasion of the 25th anniversary of India's independence. It is my profound hope that this message will serve to convey to the Government of India our determination that American-Indian relations will soon reflect the mutual respect and friendship of the two peoples and the desire of the U.S. Senate that the two governments may cooperate fully in the interests of world peace and stability.

President Nixon's message to President Giri of India reads as follows:

DEAR MR. PRESIDENT: I am pleased to extend my warm congratulations and those of the government and people of the United States to India on the twenty-fifth anniversary of its independence.

During its first twenty-five years, the Indian Republic, inspired by the traditions of the freedom struggle, has overcome adversity and taken its place among the world's democracies. Friends of India everywhere are impressed by the progress it is making in fulfilling its national commitments to improve the conditions of its people.

On this auspicious occasion, you have America's warm greetings for India's twenty-first birthday and our best wishes for the years to come.

Sincerely,

RICHARD NIXON.

Mr. President, on August 14, the New York Times published an article written by Robert Trumbull, reflecting on India's 25 years of independence. I ask unanimous consent that excerpts from this excellent article be printed in the RECORD.

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

INDIA, STILL IN SHADOW OF POVERTY, SHOWS PRIDE AS A NATION NOW 25

(By Robert Trumbull)

NEW DELHI.—Prime Minister Indira Gandhi is about to open a subdued year-long celebration of the 25th anniversary of Indian independence in a country where much has changed, yet much remains the same, since her father, Jawaharlal Nehru, hailed the new nation's "tryst with destiny" as Britain handed over power in the first minutes of Aug. 15, 1947.

Physical improvements have brightened the face of this ancient and long-suffering land, though Mr. Nehru's comment that "we have achieved much" but "we must achieve much more" is as applicable today as when he made it on the first Independence Day.

The shining image of India in the emerging "third world" of former colonial countries has dulled in the years of shifting alliances and the declining relevance of neutralism, the basis of Indian foreign policy under Mr. Nehru, the first Prime Minister.

The internal political complexion of the country has also altered, with the power no longer in the hands of the old Congress party as Mr. Nehru had known it until his death in 1964. Indians say that Mrs. Gandhi's rule at the head of a reconstructed party, younger and more leftist, is firmer than her father's ever was.

Mrs. Gandhi has taken the economy, never strong, into uncharted socialist paths. With wages low, prices up, productivity down and unemployment growing, the success of the socialist experiment is yet to be established.

Meanwhile, uncontrollable natural factors of alternating floods and droughts, and the savage summer heat, are unchanging agonies in a disaster-prone country poorly served by nature.

Following a recurrence this summer of the droughts that periodically deprive struggling industry of needed electric power and threaten food shortages where many already are hungry, Mrs. Gandhi has decreed an austere observance of the 25th Independence Day in order to rebuild depleted reserves.

Such spectacular holiday displays as the outlining of public buildings with electric lights on the festive night have been barred and the public has been asked to forgo the customary ostentatious anniversary parties.

In the midst of India's modernization, some things remain unchanged. Despite a jagged new skyline of monolithic highrise buildings, the environs of the capital retain an ambiance of timeless antiquity through the spectacular old monuments of bygone eras, like the huge seventeenth-century Red Fort, once the seat of Mogul emperors.

With urban sprawl pushing New Delhi's boundaries ever outward to country that was semidesert, the quiet of the night in this once-compact capital is shattered by traffic sounds instead of the jackal's eerie wail. These noisy, skulking animals that once scavenged nightly in the city's outskirts shun the new suburbs.

But the twilight hour, when sunset cuts the heat like the closing of an oven door, is still made vivid by flocks of screeching parakeets darting above the city streets like streaks of green flame.

A MIXTURE OF SOUNDS

Besides the screams, chirps and caws of the many kinds of birds, the cacophony of Indian cities includes the chattering of untamed rhesus monkeys roaming the urban roofs, and the ululating tones of the snake charmer's flute.

In the country side around New Delhi a motorist may have to swerve to avoid hitting a wild peacock strutting on the highway. In the railway yards of eastern India elephants are preferred to engines for shifting boxcars.

The new mingles with the old.

Soviet-made tractors, driven by bearded, turbaned Sikhs, dodge around bullock carts and camels on the Grand Trunk Road, the great Punjab artery described in Rudyard Kipling's tales of British India.

Children of the untouchables, lowest of the low in the stratified Hindu social order, earn university degrees although their fathers may still live in hovels and follow inherited menial occupations that members of the higher castes hold in contempt.

In teeming cities like New Delhi, Calcutta, Bombay and Madras, new apartment houses are rising in vast slum-clearance projects. But in most cities the odorous colonies of tumbledown, makeshift huts also grow despite regulations against them. "You can enforce regulations only so far," said a municipal housing official in Madras.

A notable feature of the new India is the air of cheery pride exhibited in fields and factories where so many faces once were hangdog and discouraged.

"You know, we send technicians to other countries now," said an Indian irrigation expert in Himachal Pradesh, a mountain state whose melting Himalayan snows water the burning northern plain.

"Garibi Hatao"—"Banish poverty"—is the slogan adopted by the new Congress party built by Mrs. Gandhi after she had led the electorate in casting out the old guard.

The socialist approach has so far produced a mixed pattern of Government monopoly, official competition with private enterprises, Government and private partnerships and the purely private sector.

To its existing monopolies in communications and transportation, the Government has added banking, insurance and coal, and 80 per cent control of the steel industry.

"Actually, we have nationalized very little," a close adviser to Mrs. Gandhi said in a recent interview. "Mostly, we have merely taken over ailing businesses to put them on their feet."

In Punjab and other states, where the "green revolution" in grain production has enabled India to halt costly importing and even to think of exporting food soon, the successful farmers have been discouraged by the Government's imminent imposition of a ceiling of 10 to 12 acres on land holdings.

"I may as well sell my tractor and move to the city," said a Punjab farmer who had arrived as a destitute refugee from Pakistan 25 years ago and now owns 90 productive acres and employs several families.

"But think of the millions of landless cultivators who will become owners when the excess acreage is redistributed," a state official insisted, when told of the Punjab farmer's despair.

A proposal to limit urban property holdings is expected to be put before the parliament, where Mrs. Gandhi commands an overwhelming majority, as soon as a New Congress party committee has worked out the details.

The plan upset a New Delhi widow who has just built a four-bedroom house, modern in all respects, that she can rent to an embassy family for the equivalent of $400 a month.

"After expenses and taxes I'll have nothing left," said the widow, who lives in a small apartment, "and I don't even know if I will be allowed to leave the property to my children."

Concern for the myriad underfed, jobless poor has enabled Mrs. Gandhi to renege without a qualm on pledges by her father's Government, such as the payment of privy purses —in effect, pensions—to the former princely rulers in return for ceding their states to the Indian union. Her action in stopping the payments bothered the consciences of many Indians.

Mrs. Gandhi's tendency to act on signif-

icant matters without consulting Parliament has been criticized by Indians who feel that ignoring the forms of democracy can engender contempt for the substance.

A close associate of Mrs. Gandhi recently described her ideology as "centrist, or left of center." At the same time she keeps the support of the extreme left, including a new youth corps that has evolved from the wreckage of the Naxalites, a Maoist organization that had advocated violent revolution.

Mrs. Gandhi's luster at home has been enhanced by India's victory over Pakistan in the war last December, which resulted in the creation of Bangladesh in what was formerly East Pakistan.

Except for Hindu diehards, the country has acclaimed the accords worked out by Mrs. Gandhi and President Zulifikar Ali Bhutto, of Pakistan in Simla last month, beginning an effort to end 25 years of ill-will and four wars between the two countries.

While relations with Pakistan are improving at last, the suspicions of small states for giant neighbors has lessened India's popularity in Nepal, Bhutan, Bangladesh and Sikhim, the latter an Indian protectorate.

Nearby Ceylon has displeased New Delhi by moving closer to China. The border dispute with Peking, which resulted in an Indian military defeat in 1962, still poisons relations between the two Asian giants, once the warmest of friends.

India's confidence of her role as a leader among the neutralist states was shaken when many of these countries decided not to take sides in the conflict between New Delhi and Peking, and declined to support India in United Nations debates on the Bangladesh affair.

Except for the tiny Himalayan kingdom .of Bhutan, which is committed by treaty to be "guided" by India in foreign affairs, only the Soviet Union and her satellites supported New Delhi's opposition to a cease-fire in Bangladesh.

India's status as a nonaligned nation has been impugned since New Delhi and Moscow signed a treaty last year that has military overtones. Indian spokesmen, however, insist that no Soviet military aid has been accepted.

The increasing commitment to the Soviet Union, India's consistent supporter in international disputes, and the alienation from the United States since President Nixon's reported "tilt" toward Pakistan in the Bangladesh situation disturb many Indians.

"For God's sake," a high Government official begged an American journalist friend, "tell your people that we aren't in the Russians' pockets."

OFFENSIVE AGREEMENT SECURES OUR NATIONAL SECURITY

Mr. CHURCH. Mr. President, the State Department has issued an excellent summary of how the interim offensive agreement negotiated by the President in Moscow protects fully the security of the United States.

I ask unanimous consent that the August 1 release on "Peace, National Security, and the SALT Agreements" be printed in the RECORD.

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

PEACE, NATIONAL SECURITY, AND THE SALT AGREEMENTS

Since World War II, the United States and the Soviet Union combined have produced nearly $20 trillion in gross national product—approximately $15 trillion in the United States and more than $4 trillion in the Soviet Union. Of this amount, more than $2 trillion has been spent on defense (approximately $1.3 trillion by the United States, and an estimated $1 trillion by the Soviet Union).

If the two societies continue to grow as projected to the end of the century, and if both continue to spend the same proportion of GNP on defense, the two countries together, by the year 2000 A.D., could spend another $5 trillion or more to maintain national security.

In both countries there are other pressing needs for capital, and both countries have long recognized a mutual advantage in first stabilizing the level of spending and ultimately moving to the stage where both countries can safely scale it down.

When President Nixon and General Secretary Brezhnev signed the SALT agreements in Moscow, May 26, 1972, the first stage was completed. Agreement was reached to limit ABMs to very low levels, including a commitment not to build a nationwide ABM defense or the base for such a defense. Both sides thus forgo a defense against retaliation, and, in effect, have agreed to maintain mutual deterrence.

Agreement was also reached to stabilize the level of strategic offensive missiles for five years, giving both sides an opportunity to proceed to the second stage of negotiations in which further limitations and controls will be pursued.

The freeze on strategic offensive missiles leaves the Soviet Union with more missile launchers and the United States with more warheads and bombers. (See Missile Balance Sheet below.) A great many factors were balanced off on both sides, but the most important consideration—probably the factor that made the Interim Agreement feasible—is the recognition (given concrete form in the ABM Treaty) that with any conceivable or current or future deployment of nuclear weapons, neither side can expect to attack the other without receiving a retaliatory strike that would destroy the attacker as a modern nation-state. Out of this fact grows the assurance of national security for both sides. This, in turn, now makes it possible to negotiate additional mutual limitations—hopefully including reductions of forces on both sides.

However, if the United States were to make unilaterally a substantial reduction in strategic strength, the other side might lose incentive to continue at the bargaining table. Similarly, if either side were somehow able to make a substantial jump in its strategic forces, we can only anticipate that the other side would undertake to redress the balance.

President Nixon said in his Foreign Policy Report of February 1971 that any Soviet attempt to obtain a large advantage "would spark an arms race which would, in the end, prove pointless." The President added that "both sides would almost surely commit the necessary resources to maintain a balance."

The Interim Agreement limits for up to five years the numbers of intercontinental ballistic missiles (ICBM), and submarine-launched ballistic missiles (SLBM) for the Soviet Union and the United States. Some might argue that the Soviet Union gained an advantage because it is permitted larger total numbers of ICBM launchers, SLBM launchers, and modern ballistic missile submarines.

However, it is also argued that the United States gained an advantage because no current U.S. offensive arms program is limited whereas limitations are placed on the three most active Soviet programs. Furthermore, although the Soviet Union will have more missile launchers, the United States has a considerable lead in numbers of warheads and intercontinental bombers, and in qualitative factors—including weapon dependability and general weapons sophistication—which are not limited by the agreements.

The central fact is that both sides find advantages in the limitations. We have reached levels where neither side can start a nuclear war without triggering its own destruction. There are simply too many launchers, too many warheads that would survive a surprise attack.

More importantly, both sides can benefit enormously from additional strategic arms limitations. An important process has, however, been started. Both the United States and the USSR are investing in this process, and we expect will want to preserve the investment and build upon it. It is not a question of "winning" or "losing". Both sides—and the world—gain from what has been achieved without compromising the basic security interests of any nation.

ECONOMICS

The long-range effect of the arms race on the economics of the United States and the Soviet Union is difficult to gauge precisely, but it is obviously enormous. The United States is currently spending about eight percent of GNP on defense—approximately $80 billion in FY 1972. The Soviet Union is spending in the range of 11–14 percent of GNP—some $45–60 billion in 1972, depending on the method of evaluating the cost. As noted above, if both countries were to continue to spend at these levels of GNP to the end of the century, the aggregate defense costs for the United States and the Soviet Union combined might total more than $5 trillion.

Both countries find defense spending a substantial burden on the economy, but the effect probably is more serious in the Soviet Union, because the high level of defense spending is believed to reduce substantially the available growth capital badly needed for expansion of the Soviet economy.

Efforts to compare the Soviet defense burden with that of the United States are difficult because neither the costs nor the distribution of GNP in the two countries are comparable. What is clear is that given the economic resources of the Soviet Union and its relatively lower level of economic development, the arms race places a comparatively greater burden upon the Soviet economy than the U.S. economy. Therefore, in economic terms the Soviet Union has even greater reason than the United States to develop meaningful weapons controls through negotiation.

The SALT agreements are an important step toward achievement of the kinds of controls that over time can substantially reduce expenditures on both sides, although the goal has not been reached in the initial stage. The agreements signed in Moscow do, however, provide the foundation for negotiations which will, hopefully, lead to important cuts in the level of defense spending on both sides.

Both the United States and the USSR could well continue to spend at approximately current levels while negotiating additional limitations, with the funds devoted chiefly to qualitative improvements. One of our goals will be to avoid this.

MISSILE BALANCE SHEET

ICBM launchers: Current strength: U.S. 1,054; USSR 1,618. The United States has no new ICBM construction program underway; the Soviet Union has been building new ICBMs. Without the agreement, if recent construction rates were continued for five years, the United States would still have 1,054 ICBMs and the Soviet Union, which has been building at a rate of up to 250 a year, could have more than 2,800 land-based ICBMs. Under SALT both sides are frozen at current levels.

SLBM launchers: The United States currently has 656 Polaris and Poseidon missile launchers; the Soviet Union has approximately 650–700 SLBMs. The United States has

no missile submarines under construction; the Soviet Union has an on-going program of some eight new submarines a year. Without SALT, in five years the United States missile-launching submarines would not have increased, while the Soviet total could have risen to 80 or 90. With SALT, the United States has the right to increase to up to 44 submarines. The Soviet Union may add modern ballistic missile submarines up to the number of 62 operational, but only provided that they retire 209 older land-based missiles and 30 older SLBM launchers. This would leave the USSR with no more than 950 modern SLBM launchers.

Total ICBMs and SLBMs consistent with the terms of the agreement: United States, 1,710; USSR, 2,419. Warheads: The difference in numbers of missiles is offset by the kinds of warheads they can carry. Currently, with the new MIRV warheads, the U.S. strategic missiles and heavy bombers carry 5,900 nuclear warheads; the Soviet missiles and heavy bombers carry an estimated 2,200 warheads. The Interim Agreement sets no limit on the number of warheads for either side, and both of these figures could rise substantially in five years. The implications of the warhead figures are enormous. They mean that currently, in the event of a surprise nuclear attack, if half of the U.S. strategic capability was wiped out, the United States could still strike more than 2,500 separate targets in the Soviet Union. This reinforces the recognition on both sides that there can be no winner in a nuclear war. The U.S. expects to continue to hold a substantial warhead lead during the Interim Agreement, sufficient to more than compensate for the numerical edge the Soviet Union has in missile launchers. The number of U.S. independently targetable warheads is planned nearly to double in the next five years, and will remain far ahead of the Soviet total.

Megatonnage: The agreement does not limit megatonnage as such. Both sides are free to make warheads as large or as small as they wish. On the average, Soviet Missile warheads are larger than U.S. warheads. It should be noted, however, that the radius of damage does not increase proportionate to the increase in yield. If the explosive power is doubled, the radius of damage increases by approximately one-third. Moreover, accuracy is more important than yield.

SEARCH IS ON FOR HUNGRY OLD FOLKS

Mr. CHURCH. Mr. President, the editor of the Twin Falls, Idaho, Times-News, O. A. "Gus" Kelker, is a well-known writer whose feature stories are read with special interest by many Idahoans.

His story entitled "Search Is On for Hungry Old Folks" points out the poignant plight of many older Americans who lack adequate food and what the food stamp program can do to alleviate this lack. As chairman of the Senate Special Committee on Aging, I know well the problems he so effectively discusses. I ask unanimous consent that Mr. Kelker's article be printed in the RECORD.

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

SEARCH IS ON FOR HUNGRY OLD FOLKS

(By O. A. "Gus" Kelker)

The search is on to find all the hungry old folks!

And quite a few of them live in Twin Falls and other Magic Valley counties. They are those who, after a lifetime of service to their communities, find themselves isolated from the mainstream of American life. This isolation, coupled with lower income, often leads to hunger and malnutrition.

So last week—it was Thursday to be exact—every individual recipient of social security or medicare received a brochure explaining how it is possible to qualify under the new Federal Foods Assistance Program. They also received a franked post card permitting them to request personal assistance if required.

Nationwide there are 27 million men and women who received the notices. In Magic Valley the numbers were in the hundreds and it is expected that scores of these—not helped in the past—will now be able to receive food assistance.

In Twin Falls county such assistance would come through food stamps. In some counties it would come through commodity distribution. Right now, in Twin Falls county, there are between 750 and 800 individual cases where food stamps are being distributed. These, of course, include those of all age groups who are eligible and would number more than indicated because a family head, who might receive stamps for two or more family members, is still only counted as one.

When the Federal Food Assistance Program (FIND) takes hold issuance of food stamps will increase. How much is not known.

Four government agencies and the American Red Cross—including the chapter in Twin Falls—are joining hands in this program, an outgrowth of the White House Conference on Aging.

The Department of Agriculture will administer the food assistance through the stamp and commodity programs; the Social Security Administration will communicate the objective of Project FIND to all Social Security and Medicare participants; the Office of Economic Opportunity, through a $4.4 million contract, will be the funding agency for the volunteer activity; ACTION, the government citizen service corps, will provide the project management and public information, and the Red Cross will enroll, train and supervise up to 50,000 volunteers in an effort to reach all the older Americans who are eligible.

Statewide, Idaho is involved in both the food stamp and commodity programs.

In Idaho there are 44 counties. Food distribution programs reach a total of 18,851 in these counties and food stamps reach another 14,037 for a total of 32,888 being helped with food subsidies. Some local officials expect this number will hit a ceiling of nearly 50,000 when the elderly who are now eligible but are not receiving anything apply for aid.

The whole idea is to be sure old folks do not go hungry and also to be sure what they eat is beneficial to their health.

It is pointed out in Twin Falls that the Red Cross is not receiving any money other than to reimburse for direct out-of-pocket expenses such as the salaries of field supervisors, travel cost and reimbursement to volunteers for their direct out-of-pocket travel costs.

Want to volunteer in this program? Then drop into the local office of Social Security as a starter. Your volunteer help is needed and the Social Security officials can put you on the right track as to where to go and what to do.

And you old folks who do not have enough money to buy nourishing food? Why don't you send that card back—or go in and ask questions? The program is for you. All you have to do is to take advantage of it.

LACK OF FUNDS FOR RICHLAND HOUSE, COLUMBIA, S.C.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that an article entitled "HEW Apparently Will Not Fund Boys' Home," published in the Columbia Record of August 9, 1972, be printed in its entirety at the conclusion of my remarks.

I should like to acquaint the Senate with a situation that is most unfortunate and it is hoped, not a frequent occurrence. The Department of Health, Education, and Welfare has funded for 3 years a boys' home in Columbia, S.C., called the Richland House. The home's board of directors was led to believe that funding from HEW would be available for 5 years before other funding sources would have to be found. However, the funds run out on September 1 of this year, and HEW has belatedly indicated that the grant will not be renewed. At this time, no alternative sources are lined up, and the home is faced with closing in September. I have asked HEW to fund the program for an additional year, to allow the board of directors time to secure other sources of funds.

The Richland House is operated in conjunction with the Richland County family court and is a home for boys of the age 13 through 16 who have gotten into trouble with the law. The family court judge now has the option of sending a boy to the Richland House or to a jail cell. In its 3 years of operation, the home has repeatedly demonstrated its success in rehabilitating these young boys and its closing would be to the detriment of the entire community.

What bothers me the most in this situation is HEW's apparent failure to adequately forewarn the grantee, the Richland House board, that the program definitely would not be funded another year. The board would then have had plenty of time to develop alternative funding sources and it would not be faced with probable closing in September. This program has been of significant benefit to the Columbia community for the past 3 years and HEW is to be commended for its support. However, it is clearly not good government for HEW or any Federal agency to place a grantee in such an untenable situation unnecessarily. Because HEW has placed the Richland House in this position, I feel they have a direct responsibility to keep this valuable community project in operation for an additional year. This will allow the board of directors adequate time to develop a permanent source of funding.

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

HEW APPARENTLY WON'T FUND BOYS' HOME

(By Margaret N. O'Shea)

The U.S. Department of Health, Education and Welfare has apparently decided some lives that are important to Richland County aren't worth a dime.

Lives at stake are those of the boys who live at Richland House, a group home for 13 and 16 year olds who have run afoul of the law or have the potential to do so if they remain in their home environments. Richland County Family Court, which refers youngsters to the home, believes it is meaning the difference between lives of crime and productivity for the boys who have lived there.

For the past three years, Richland House

has received most of its operational funds from the HEW—$30,000 the first year, $35,000 the second and $53,000 the third. The board of directors had been led to believe that federal funding from HEW would be available for five years before other sources would have to be found, but their grants runs out Sept. 1, and HEW has shown no signs of renewing it.

"This year we began getting indications that HEW was undergoing a policy change in that Never-Never Land of Washington and there might be no funding for one-unit projects," said Jim Hale, chairman of the board of directors and Vocational Rehabilitation's Family Court specialist for the state.

In previous years, HEW has notified Richland House of grant approvals in July, he said. This year there has been no word at all, and the home cannot continue to function without the funds.

A telegram campaign got under way this week to "attempt to dislodge the logjam" in Washington, and the board and staff at Richland House are hoping it will result in renewal of HEW funding for the project.

They are asking citizens with an interest in continuation of Richland House operations to telegraph their concern to Sens. Ernest F. Hollings and Strom Thurmond and Rep. Floyd D. Spence.

"We don't have to convince them that we have something important that's worth keeping," Hale said. "They will turn the telegrams over to HEW to show that the community is concerned."

Meanwhile, other fund sources are being explored, but Hale said it is unlikely that any will come across for several months. "We just don't feel that we can close in the interim," Hale said.

Richland County Council is expected to act this month to provide $6,000 in county funds for the home—funds that are to be applied to this fiscal year's operations. And the fiscal year at Richland House ends Sept. 1, along with the HEW grant.

That $6,000 is a drop in the bucket. It takes about $4,000 a year to house one boy at Richland House—$3,000 less than it costs the state to keep a juvenile offender in a correctional institution—and the home is equipped to handle up to 12. Only eight now live there. Because funds are scarce, the staff has been cut to a skeleton crew, and the boys could not be offered stability.

Hale said the telegram campaign can be conducted for $1.25 per 15-word communication, but the cost to the community is incalculable if Richland House is abandoned.

He cited some of the results of the home's efforts in its three years of operation:

—Of 75 official residents—at least that many more have participated in some home activities without officially living there—all were school dropouts when they arrived. All returned to school, since that is a requirement to live at Richland House. Eight have graduated in the past three years.

—One youth now living at Richland House was failing in school. He is now a member of the National Honor Society.

—One of the school graduates is a National Merit finalist and plans to go to college on scholarships.

—Only seven of the 75 official residents have had to return to Family Court and sent to correctional institutions because of continuing delinquency.

—Hostile boys are handling responsibility at the home, as much of it as they can take on, according to John Kinchen, Richland House director. Some have progressed to the point where they live in the home's annex, work, pay rent and earn their own way, all with minimal supervision.

—Youngsters who were taking out their frustrations on others are now talking to counselors about goals for the future, ways they can help others and how they can contribute to society.

"This is an expensive program," Kinchen said, "but compared with the cost of incarceration and institutionalization, it runs low. Most of these boys are not born criminals. They come from homes where discipline was lacking or where there was no love. In many cases, they were seeking attention in the only way they seemed to be able to get it—by breaking the law.

"Here, we care, and that means a lot to them. They don't want to violate the trust we have in them," he said.

Richland House offers a healthy environment with responsibilities as well as benefits. The boys work at the home and are required to attend school regularly in order to stay there. They also have counseling and group activities that foster an ability to live and work with others.

The apparent failure of HEW to come through with operational funds is a specter at Richland House. "We're running a little scared," Hale admitted. "We feel that we have to survive or some of these kids won't have a chance at all."

THE PURCHASE OF CHROME ORE FROM RHODESIA

Mr. MOSS. Mr. President, twice the Senate has considered the question of abdicating our responsibility under the United Nations Charter by reestablishing our purchase of chrome ore from Rhodesia. Twice by a very narrow vote, we have elected to violate our solemn obligation to the United Nations and to purchase ore contrary to the resolution of the Security Council. This has distressed me very deeply, as I am sure it has many Members of the U.S. Senate. I have always felt that the matter has been presented in such a manner that many Senators did not understand the consequences of our action.

Mr. President, I was pleased to note that the American Bar Association meeting in San Francisco considered this problem and by resolution placed the American Bar on record as recommending that we keep our international agreements, and especially the one on the purchase of chrome ore. The House of Delegates of the American Bar recognized that we cannot hope to live in a world of law and order if we unilaterally choose to violate our own commitment.

ALLEN ELLENDER—A TRIBUTE

Mr. CHURCH. Mr. President, I wish to pay my tribute to Senator Allen Ellender, whose unexpected death has saddened us all.

Senator Ellender and I did not serve together on committees of the Senate, but during my 15 years here I have had numerous occasions to ask for his cooperation on behalf of appropriation measures, particularly those having to do with agriculture, that would benefit Idaho. I found him unchangingly courteous and cooperative. On those occasions when he could oblige, he would; when, in his judgment, he could not, I understood. His diligence, his "workhorse" energies, his candor, all these, and more, were great assets to the U.S. Senate which he loved so well during the 35 years he served here.

Senator Ellender traveled widely. And his extensive tours abroad resulted in a growing skepticism about the efficacy of our so-called foreign assistance programs, as well as the need for such profligate military spending. Allen Ellender sensed quite properly our overseas activities were becoming increasingly characterized by wastefulness and a blind reliance upon assumptions that, whatever their original validity, had been rendered invalid by world events. For this, we in the Senate owe Allen Ellender our appreciation for his insights, his counsel, and his independent judgment in this matter.

One observation of his, I would like to recall:

> It seems to me that we have as much to fear from ignorance, prejudice, selfishness and bias in our own Nation as we have from a similar condition on the part of the Russian leadership.

That is a bit of wisdom we would all do well to remember in this ever-changing world.

BALM FROM THE DRUG FIRMS

Mr. NELSON. Mr. President, the Washington Post of July 30 contains a story entitled "From Drug Firms, Balm for the Buyer." Written by the distinguished reporter Morton Mintz, the article discusses some happy results of the more than $100 million settlement of civil antitrust suits against five drug companies. This sum was awarded a number of States, municipalities, and consumers. An additional $32 million was awarded to private hospitals.

Of the $37 million set aside for consumers only a very small amount will actually be claimed. The remainder will provide a public health windfall in 43 States, 22 cities and counties, the District of Columbia, and Puerto Rico, which intend to spend the funds mainly on public health programs designed to benefit consumers as a class. According to Mr. Mintz' article, many of these programs are highly innovative and would otherwise go unfunded.

While the States and other political subdivisions are congratulating themselves on their good fortune, they should also remember that this would not have come about without the tireless efforts of the senior Senator from Louisiana, RUSSELL B. LONG.

The $132 million settlement by the drug firms is the result of private treble damage suits filed by the City of New York, Louisiana, Wisconsin and about 41 more States, 22 other political entities and a number of private institutions. These suits and counterclaims were directly dependent on the successful prosecution by the Department of Justice of the Federal Government's own criminal case. Although the drug companies had been indicted in 1961, by the end of 1965 the Department of Justice had done very little to develop the case.

In addition, intelligence gathered from trade source indicated that the Justice Department's criminal antitrust prosecution against the drug industry might be ended or otherwise disposed of by acceptance of a plea of nolo contendere. After

careful and discreet staff inquiries had confirmed that the reports from trade sources were correct, Senator LONG, who was then Chairman of the Monopoly Subcommittee of the Small Business Committee, vigorously protested the proposed action by the Justice Department, and just a few days before Christmas of 1965 interrupted his vacation in Louisiana to return to Washington to insure that the public's interest in this matter was protected.

This was followed on February 10, 1966 by a memorable speech by Senator LONG on the floor of the Senate in which he revealed for the first time the international scope of the price fixing conspiracy by the manufacturers of life saving "wonder drugs," and made public a large number of supporting documents as well as the key to unlocking the codes used by the drug companies in their price fixing activities.

Because of Senator LONG's vigilance and dedication to the public interest, the Government's criminal antitrust prosecution proceeded. The results will soon benefit the public in a variety of ways as described in Mr. Mintz' article. But an immediate and visible benefit of Senator LONG's efforts is the price of the important antibiotic tetracycline, which fell from 50 cents per capsule to the consumer to the present price of less than 10 cents. This decrease of more than 80 percent will help reduce the cost of health care for the American people.

I ask unanimous consent that the correspondence between Senator LONG and the Department of Justice, as well as Mr. Mintz' Washington Post article, be printed in the RECORD.

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

U.S. SENATE,
Washington, D.C., December 21, 1965.

Re: United States v. Chas. Pfizer & Co., et al, U.S.D.C., SDNY (Crim.)

Hon. DONALD F. TURNER,
Assistant Attorney General, Antitrust Division, Department of Justice, Washington, D.C.

DEAR MR. TURNER: Seeking to determine the accuracy of a trade newsletter report that the criminal antitrust prosecution against the drug industry may be ended by acceptance of a plea of nolo contendere, my staff assistant, Benjamin Gordon, telephoned Paul Owens of your Special Litigation section. Mr. Owens stated that although the defendants had not yet offered a nolo contendere plea, the Antitrust Division may accept such a plea because, as Mr. Owens said, the case is considered weak. I strongly urge that this not be done.

I assume that in 1961, the year of indictment, the Government was at least able to prove a *prima facie* case. What has happened since 1961 to weaken it? Indeed, why haven't measures been taken to strengthen it? How many attorneys have been assigned to this effort and what have they been doing for four years?

Is it true that since August 17, 1961, there has been little or no investigation by the Antitrust Division or the Federal Bureau of Investigation and that little, if any, additional evidence, based on leads furnished by the record in the FTC proceedings, has been developed?

Is it true that since August 17, 1961, there have been few, if any, statements taken from prospective witnesses and that former employees of the defendants who might be able to furnish vital evidence have not even been contacted?

If the foregoing questions are answered in the affirmative, and I would appreciate answers to all of these questions promptly, it is apparent why the Government does not have a strong case. Accordingly, I would suggest that instead of accepting a nolo contendere plea, immediate steps be taken to prepare a strong case for trial. I am assured that evidence, in addition to that appearing in the FTC record is available and can be developed quickly if enough men, time and effort are put on the job.

Perhaps you are unaware that the cost of drugs, particularly the cost of broad-spectrum antibiotics, is a matter of grave and increasing concern to the Congress. Ten percent of the entire "Medicare" program as presently constituted is spent by institutions for the purchase of drugs and medicines. In addition, the average expenditure for drugs and medicines per person per year for those 65 and over is $54.00, whereas the average cost for hospitalization is $53.00 For such persons in the income bracket of $7,000 per annum and under, the percentage expenditure for drugs and medicines is considerably higher. Since it is possible that the Federal Trade Commission order may be reversed on some technical ground in the United States Court of Appeals for the Sixth Circuit, it is inconceivable that the Justice Department would consider removing the last road-block to this continued exploitation of the American public, particularly the poor and the aged.

You may also be unaware that there are a number of private treble damage suits already pending which would be adversely affected by the acceptance of any nolo contendere plea. These include suits and counterclaims totalling many millions of dollars filed by the City of New York, McKesson & Robins, Inc., and others. I am also informed that many state and local governments, private hospitals, and small drug manufacturers are awaiting the outcome of the Justice Department's case so that they, too, may institute suit.

I consider the drug price-fixing conspiracy to be one of the most vicious ever foisted upon the American public. It particularly victimizes the poor and the aged. I assure you that I did not give my considerable support to the passage of the Medicare and Poverty Bills in the expectation that more Federal funds would be added to the profits of the drug industry.

If the Department of Justice under a Republican Administration refused to agree to a nolo contendere plea by "conspirators" who were fixing the price of generators, how can you even consider acquiescing in such a plea when there is strong evidence that there is a conspiracy to fix the price of medicines?

If the Antitrust Division does not vigorously oppose attempts by the defendants to enter a plea of nolo contendere, I and certain of my colleagues who are becoming increasingly aware of the nature, scope and gravity of this conspiracy may feel compelled to take the Senate floor in order to bring this situation to the attention of the American people.

If you feel your case is weak, I am certain that I have the evidence you need to strengthen it.

I ask you not to accept a nolo contendere plea this week or at any time until I have an opportunity to discuss the matter with you fully. This will, of course, be after the Congress reconvenes in January.

I would appreciate a prompt reply.

With every good wish I am,

Sincerely yours,

RUSSELL B. LONG.

DECEMBER 22, 1965.

Hon. RUSSELL B. LONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your letter of December 21 concerning *United States v. Chas. Pfizer & Co., et al.*, U.S.D.C., SDNY.

Defendants have not yet made any proposal to us regarding nolo contendere pleas, but at their request I have agreed to a conference with them on January 7th, and we anticipate that they will make such an offer at that time. I have not yet had the opportunity to review this case in any detail, but I have discussed it generally with my staff. It is not my impression that the Division considers the case to be a weak one, and on the basis of my general information, neither do I. I believe Mr. Gordon must have misunderstood Mr. Owens in believing him to state the contrary. Mr. Owens assures me that he made no comments whatsoever on the merits of the case.

I have also been assured, although I have not personally gone into it in detail, that all customary steps have been taken to develop evidence since the case was filed in 1961. The long delay is attributable to the fact that despite several requests on the government's part, Chief Judge Ryan of the Southern District of New York has failed to assign a judge for trial on the ground of docket congestion. While we have not been happy with the delay, I am sure that Chief Judge Ryan has delayed the case in all good faith, as over the years he has given fair and sympathetic treatment to the Antitrust Division.

Needless to say, we would be anxious to obtain any further evidence that one may have, and my staff would be prepared at anytime convenient to you to talk with members of your staff and obtain whatever information in their possession.

The other considerations referred to in your letter, though not the only considerations involved, are of course highly relevant to the question of whether nolo contendere pleas should be acquiesced in or vigorously opposed.

I hope this letter clarifies at least to some extent the questions you raised. I would, of course, be happy to discuss the matter with you further for the purpose of obtaining any relevant information you think particularly significant.

Sincerely yours,

DONALD F. TURNER,
Assistant Attorney General, Antitrust Division.

JANUARY 17, 1966.

Re United States v. Chas. Pfizer & Co., et al., U.S.D.C. SDNY (Crim.).

Hon. DONALD F. TURNER,
Assistant Attorney General, Antitrust Division, Department of Justice, Washington, D.C.

DEAR MR. TURNER: Thank you for your letter of December 22 concerning the above case.

I was pleased to note that the Antitrust Division considers the case to be a strong one, and I naturally conclude that it would be inconceivable for the Division to acquiesce in a plea of nolo contendere if, and when, it is made.

Because of my great and continuing interest in this matter, I would appreciate it if you would furnish me the details of the information requested in my letter of December 21 regarding the precise steps which have been taken to develop the case on the basis of the leads furnished in the FTC proceedings.

In addition, I would appreciate it if you would advise me as to the nature and outcome of the conference you had with the

attorneys for the drug companies on January 7, 1966.

Your kind cooperation in supplying the requested information would be appreciated.

Sincerely,

RUSSELL B. LONG.

DEPARTMENT OF JUSTICE,
Washington, D.C., January 18, 1966.

Re United States v. Chas. Pfizer & Co., et al., USDC, SDNY (Crim.).

Hon. RUSSELL B. LONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your letter of January 17 regarding the above case, and is in confirmation of our telephone conversation today.

Following a conference on January 7, 1966, and after careful reconsideration of the case, we have informed attorneys for the defendants that we will not dismiss the indictment, we will oppose nolo contendere pleas if and when they are made, and that we have every intention of prosecuting the case to a conclusion.

As a matter of policy, I do not consider it appropriate to disclose the details of preparations for trial in this or other cases, at least in the absence of exceptional circumstances. Nevertheless, I have been assured that the case has been and will be pursued with all due diligence.

Sincerely yours,

DONALD F. TURNER,
Assistant Attorney General,
Antitrust Division.

[From the Washington Post, July 30, 1972]

FROM DRUG FIRMS, BALM FOR THE BUYER

(By Morton Mintz)

One does not generally think of the drug industry as a philanthropic enterprise. But five pharmaceutical makers are about to be shoved into the role of great public benefactors, unwitting contributors of many millions of dollars to help combat drug abuse, rehabilitate delinquents, control gonorrhea, deliver medical aid in rural areas, train midwives and finance other social projects.

This unintentional goodwill stems from an unprecedented $100 million settlement of antitrust suits against the five drug companies, and from the unusual way in which the funds will be disbursed.

Of the total, $60 million was designated for reimbursement of states and political subdivisions for overcharges they paid for "wonder" antibiotics purchased during the 1960s for public institutions and programs. Most of the remainder—$37 million—was set aside for consumers, and if a complicated disbursement proposal wins court approval, $16 million in tax-free refunds soon will go to about 40,000 individuals who paid excessive prices for the same drugs.

Thousands of persons who might have had valid claims did not file for refunds, however, and their share of the settlement, estimated at $15 to $18 million, will provide a public health windfall in 43 states, 22 cities and counties, the District of Columbia and Puerto Rico.

Excluded from the payments will be individuals and governments of seven states, two counties and one city that rejected the settlement, preferring to sue instead.

Under a distribution plan awaiting approval by a U.S. district court in New York City, the individual refunds (less legal fees) will be distributed between October and the year's end. They will average $420 per claimant, but that figure does not reflect the real meaning of the settlement to many recipients.

Florence A. Aarnes of Denver, for example, stands to receive $15,820, or 70 percent of the $22,500 she spent from 1954 to 1966, when she lived in El Paso, Tex., for two of the anti-infection medicines, tetracycline and oxytetracycline. Hers is the largest individual claim.

Similarly, a Richmond, Va., truck driver, William Jordan, expects to receive $8,110, which is 70 percent of the approximately $55 a month he spent within that same period for antibiotics for each of three children with cystic fibrosis, an incurable disease that hardens lung fibers.

MIDWIVES IN WASHINGTON

But perhaps more unusual is what will happen to the money that will go to political subdivisions, acting as representatives of the individuals who did not file claims. These political units intend to spend the funds mainly on public health programs designed to benefit consumers as a class. Many of them are highly innovative efforts that otherwise would go unfunded.

The programs are so diverse that Virginia Attorney General Andrew P. Miller, chairman of the antitrust committee of the National Association of Attorneys General, says he is reminded of a Supreme Court opinion of 40 years ago in which the late Justice Louis D. Brandeis spoke of "one of the happy incidents of the federal system: that a single state may serve as a laboratory; and try novel social and economic experiments . . ."

The District of Columbia, for example, hoping to lower its "high and steadily rising infant mortality rate," intends to hire two certified nurse-widwives and a supervisory physician. Working with three universities, they would train 50 more nurse-midwives in two years, freeing doctors to handle difficult maternity cases at D.C. General Hospital.

Maryland proposes to meet a critical need: the care and treatment of cancer victims. It would use $260,000 from the drug makers' unintentional philanthropy to establish new professorships of clinical oncology (the study of tumors), one each at the medical schools of the University of Maryland and Johns Hopkins.

The American Cancer Society, saying that medical schools and their teaching hospitals are the best place to speed progress against cancer, is contributing $50,000 to the program. The universities have agreed to maintain the new professorships not only after the special fund is exhausted but, as the State of Maryland has told the district court, "so long as cancer is a major disease of man."

Wisconsin, "beset by an epidemic of gonorrhea which is clearly out of control," intends to spend 47 per cent of its funds to try to control the disease. And Missouri, dissatisfied with the "wholly inadequate" rehabilitation method available for aggressive delinquents at its State Training School for Boys, wants to try out an alternative: pilot community treatment centers in converted residences in the inner cities of St. Louis, Kansas City and Springfield.

RURAL MEDICAL AID

But the list does not end there. Kentucky plans to contract with a non-profit corporation to use college students and student nurses to improve health, nutritional and medical care in the rural eastern part of the state, where health facilities "are virtually non-existent and a large proportion of the population is indigent."

Oklahoma, which has a similar problem, would meet it by providing physicians, nurses, dietitians and medical social workers for a clinic, in Wakita, that now has no staff.

It also plans to finance additional facilities at its state university schools of nursing, dentistry and medicine, and provide scholarships "for disadvantaged and minority group students entering professional health training."

Mississippi has adequate kidney treatment facilities, including four kidney machines, but in most part of state is "wholly lacking . . . supplies necessary to sustain treatment." The unclaimed money would be used to buy the supplies, which cost about $3,000 per patient a year.

Iowa wants to divide its money seven ways: 20 per cent to improve public health nursing services; 15 per cent each to fight drug abuse, screen for sickle cell anemia, immunize against measles, treat VD and provide emergency health services, and 5 per cent to inspect waste-treatment plants.

In Louisiana, it was decided to split the money among 12 state institutions for disabled and crippled children. Texas would use 30 per cent of its share to expand a solid waste pollution control program. And Ohio has drafted an elaborate plan to find "those consumers who for one reason or another did not have an opportunity to file claims" the first time around.

DRUG ABUSE DRIVES

The majority of states, however, plan to spend all or part of the expected funds on programs of one kind or another to combat drug abuse.

In Virginia, for example, the Drug Abuse Control Council has been unable "to institute and continue valuable drug abuse treatment and rehabilitation programs" even though the federal government will put up $3 for each $1 put up by the state.

The council requested $739,935 for the 2-year period ending June 30, 1974, but the General Assembly approved only $350,540—too little, Attorney General Miller said to get enough federal "matching" funds to do the job.

His proposal is to turn over the excess consumer fund payment to the council, so that Virginia "would overcome her present financial inability" to pay for state and local drug programs with a total of $2 million in federal and state funds, in addition to the $350,540 appropriation.

Alabama, as part of a three-part effort at its state university, would be enabled to complete a research project that "is now close to synthesizing an anti-LSD drug."

Florida seeks to fund a scholarship program for needy students who agree that after graduation they will "participate in drug abuse control programs as trained professionals."

Texas would allocate money to community health centers, partly for "round-the-clock crisis assistance in drug emergencies, including telephone counseling, referral to appropriate help and pick-up service is needed."

"Minnesota would fund halfway houses, which play a vital role in the rehabilitation of drug-dependent individuals."

North Dakota and Vermont want to set up drug-abuse educational programs in their public school systems.

KEY FIGURE

In each of the 43 states that will share in the unclaimed consumer refund money the key figure has been the attorney general, the official who had sued the five antibiotics suppliers for antitrust damages. He, in turn, worked with health officials and others to develop a proposal tailored to the particular needs of the state. In Maryland, Deputy Attorney General Norman Polovoy worked with the Cancer Society and the president and medical school deans of the state university and Johns Hopkins to fashion what Polovoy calls a "very, very exciting" plan to teach medical students how to make life more comfortable for cancer victims.

In Kentucky, the decision to provide health care in parts of Appalachia where it now does not exist was made after consultation with specialists, including the deans of the state's two medical schools, according to Assistant Attorney General Laura Murell.

But while the attorneys general have led in the planning for use of the funds, it was a Washington lawyer—David L. Shapiro, of

Dickstein, Shapiro and Galligan—who developed the basic concept for enabling individual consumers to recover overcharges, and for making unclaimed consumer funds available for special public programs.

Shapiro's firm represents 20 states, including Virginia, that are involved in the litigation, plus the District of Columbia and two cities.

His grand design is about to be completed in multi-stage proceedings before Federal Judge Inzer B. Wyatt.

TWO HEARINGS

On Aug. 23 in New York, Wyatt will hold a hearing on the distribution of funds proposed for that city's 5,000 individual claimants. (Nothing would be left for a residual consumer fund for New York City.)

The next day, Wyatt will hold hearings on the distribution plans proposed for 10 other jurisdictions—Ohio, North Dakota, Vermont, Puerto Rico, Missouri, Pennsylvania, New Jersey, Maine, Texas and the City of Philadelphia.

If the judge finally approves plans for these 11 jurisdictions by early October, and if his rulings are not appealed, refund checks probably will go out by late fall.

Each refund will be reduced by a deduction for legal fees and services, in an amount to be determined by the court. Dickstein, Shapiro and Galligan has proposed that the deductions be 15 per cent of each share. Counsel for a number of jurisdictions, including Maryland, have proposed other arrangements.

Judge Wyatt will hold similar hearings for 35 other states, including Virginia, and more than 20 cities and counties in October, with refinds expected to be mailed by January.

LITIGATION SINCE 1963

The drugs involved in the hearings have been the subject of litigation since 1963, five years after Chas. Pfizer & Co. was awarded a patent for tetracycline. Of the three chemically related antibiotics then available to treat a broad spectrum of infections, tetracycline was acclaimed as generally the best. The others were Pfizer's Terramycin (oxytetracycline) and Lederle Laboratories' Aureomycin (chlortetracycline).

In the litigation, Pfizer, alleging infringement of the tetracycline patent, initially sued the Premo Pharmaceutical Corp., a small firm that was selling tetracycline by its generic name for much less than Pfizer was charging for its trade-named version.

Later in 1963, the Federal Trade Commission ruled tht Pfizer, with Lederle cooperating, had obtained the patent by committing fraud on the Patent Office—a bitterly contested charge that ultimately was upheld by the Court of Appeals in Cincinnati. The Supreme Court allowed the decision to stand.

The FTC ordered Pfizer and Lederle, a division of American Cyanamid Co. and originally the exclusive licensee for tetracycline, to stop fixing prices, exchanging price information and rigging bids. The order applied also to Bristol-Myers, which had won a license to produce and sell the antibiotic, and two firms licensed only to sell it, the Upjohn Co. and what was then E. R. Squibb & Sons, a division of Olin Mathieson Corp.

Encouraged by the commission order, Premo Pharmaceutical and principal customer, the City of New York, filed counterclaims in an effort to recover treble antitrust damages for overcharges from Pfizer and other licensees.

Premo settled in 1966. Eventually, however, all 50 states and almost 30 other jurisdictions either joined the City of New York antitrust action, in which David Shapiro's firm was counsel, retained other law firms to sue, or filed suit themselves.

While most of this litigation was pending, a federal court jury in New York convicted Pfizer, Cyanamid and Bristol of conspiring with two non-defendant co-conspirators, Olin Mathieson and Upjohn, to fix the prices of all three antibiotics and to monopolize a market from which all five firms grossed about $100 million a year, and of having achieved the desired monopoly.

The Justice Department showed at the trial that during the period covered by the indictment, 1953 to 1961, production costs for 100 capsules of tetracycline varied from $1.52 to $12. Yet, for eight years, all five suppliers charged pharmacists an unvarying $30.60, with the price for Aureomycin and Terramycin always being identical.

Fair prices, attorney Shapiro has suggesed, would have been $6 wholesale and $10 retail.

Each of the three defendant companies was fined $150,000, the maximum allowable.

The verdicts were important for another reason: they were potentially powerful evidence that the states and other plaintiffs could use in pressing their civil antitrust suits.

The verdicts were returned on Dec. 29, 1967. Within a matter of months, all five drug companies became deeply interested in the possibility of settling.

On Feb. 6, 1969, the companies formally agreed to the $100 million package settlement, the largest since the Sherman Act—the first antitrust law—was enacted in 1890. Aside from $3 million for antibiotic wholesalers and retailers, all of the money was for the political jurisdictions. Later, the companies agreed to pay an additional $32 million to non-government hospitals and to Blue Cross insurance plans.

The settlement offer was rejected, by seven states (California, Hawaii, Idaho, Kansas, North Carolina, Oregon and Utah) the Counties of Los Angeles and San Francisco, the City of Kansas City, Mo., on the theory that they could do better than the total of $17 million they were offered.

The rejection reflected, Judge Wyatt said later, "the exercise of questionable judgment" based on "a misplaced optimism about a highly problematical result."

He made that evaluation in an opinion in 1970, after the Court of Appeals in New York City had reversed the criminal conviction of Pfizer, Cyanamid and Bristol on grounds that District Judge Marvin E. Frankel had erred in instructing the jury. The Supreme Court, by a tie vote of 3–3 last Jan. 24, affirmed the appellate court.

"It is our present intention to re-try this case," the Justice Department's Antitrust Division told Judge Frankel in May. But years could go by before the case is tried and legal challenges disposed of, and the 10 political entities that rejected the settlement are deprived—possibly permanently—of the potent legal weapon of criminal convictions to use in their lawsuits, which are pending in Minneapolis before U.S. District Judge Miles W. Lord.

PLANS APPROVED

With relatively good purchase records available, the 67 jurisdictions that agreed to the settlement were able within a year or so to win court approval of a system to allocate awards from the $60 million set aside for overcharges of their hospitals and institutions and for overpayments for prescriptions filled by druggists for welfare patients.

As of last Dec. 16, $5,975,277, including interest, had been paid out for these purposes, including $250,900 to the District of Columbia, $499,755 to Boston, $347,236 to Baltimore, $71,988 to Chicago, $3,489,487 to New York City, $169,384 to Detroit, $236,091 to Erie County, N.Y., $448,868 to Philadelphia and $160,915 to Memphis. Still to be distributed is $46,133,597, also including interest as of last December.

The truly difficult problem—one that had not been solved in the 80 years that had passed since approval of the Sherman Act—was a practical one: how to enable individual consumers to recover overcharges that they had paid, directly or indirectly, to antitrust violators.

The breakthrough was lawyer Shapiro's idea for the states and their political subdivisions to serve as representatives of individual purchasers as a class and to use unclaimed monies for public health purposes.

The next step was to notify individual claimants. This was attempted, starting in July, 1969, with a quarter-page advertisement in every daily newspaper, and in Spanish- and Japanese-language newspapers in every participating jurisdiction. This process which cost $129,848, turned out to be far less successful, Shapiro has said, than news stories and "public service announcements" carried by radio and television stations.

Judge Wyatt authorized Shapiro's law firm to collect, collate and tabulate the claims and, where needed, to seek more information from claimants. This task, which included setting up an alphabetical card file to guard against possible fraudulent claims, took about a year and cost about $100,000.

CLAIMS VERIFIED

Meanwhile, in the 23 jurisdictions represented by Shapiro's firms, investigators, usually with personal interviews, sought verification of 2,321 claims filed by persons who asked $1,000 or more each. Only 29 were disallowed altogether, while 1,739 were verified, 320 were found to be overstated, and 158 were found to be understated. Similar verification was accomplished in the other jurisdictions.

One who claimed less than he was owed was the Richmond truck driver William Jordan.

Having insufficient records, and trying to recollect what he had spent over a 13-year period, he filed for $3,960.

Reine Kram, legal assistant to David Shapiro, went to Richmond to see if Jordan could verify his claim. Suspecting that he had inadvertently understated, she checked with four physicians who are experts in cystic fibrosis. She also learned that the Cystic Fibrosis Foundation of Houston had done a survey on the cost of antibiotics for victims of the disease. Her conclusion was that Jordan should claim $11,585, or triple what he had asked.

At another point, in Navasota, Tex., Miss Kram and an assistant attorney general were helped by the county sheriff to find several persons in remote rural sectors who needed aid in documenting refund claims. In other rural areas other local officials—even the mayor, in a few cases—gave similar help to investigators. Such "field audits" were not made for claims of less than $1,000 although lawyers tried to screen out obvious errors.

For years, antitrust activity by the states generally languished. Now, with the antibiotics cases—which Virginia Attorney General Miller calls "a very significant legal development"—it is beginning to increase.

Shapiro who says his firm put in 40,000 hours in 8½ years on the antibiotics litigation, is proud of his role in what he calls "the first antitrust cases in which individual consumers recovered anything." But he hopes that in future antitrust cases for which they will be a model, "there will be 400,000 claims, not 40,000."

States, principal cities and other political subdivisions will receive the amounts shown in the table (with interest computed to May 1, 1972) if the distribution plan wins judicial approval. Column A lists allocations of individual claims and consumer funds. Column B shows reimbursement for overpayment by institutions and for welfare.

	A	B
Alabama	$713,407.25	$1,460,524.71
Alaska	51,518.30	17,247.54
Arizona	285,361.97	285,636.96
Arkansas	388,405.85	538,932.78
Colorado	273,472.30	547,622.84
Connecticut	554,869.47	448,507.35
Delaware	99,086.05	71,142.23
Florida	1,022,546.57	2,347,306.18
Georgia	860,049.04	2,015,761.28
Idaho	146,641.46	247,905.76
Illinois	1,422,849.09	3,421,308.62
Indiana	1,018,586.25	1,712,857.78
Iowa	602,430.91	1,172,879.57
Kentucky	661,880.22	780,496.45
Louisiana	709,440.99	2,001,739.30
Maine	210,057.23	52,832.97
Maryland	471,643.32	546,548.11
Massachusetts	971,026.41	1,872,723.11
Michigan	1,272,238.69	1,878,439.21
Minnesota	745,111.52	1,894,259.56
Mississippi	475,603.19	1,011,358.84
Missouri	943,282.32	1,216,346.49
Montana	146,644.95	108,893.39
Nebraska	309,140.32	426,038.88
Nevada	63,412.23	238,001.33
New Hampshire	134,751.39	158,471.01
New Jersey	1,323,766.07	1,523,159.51
New Mexico	206,095.78	383,782.12
New York State	1,731,987.05	2,471,747.82
North Dadota	138,713,89	121,836.83
Ohio	1,815,221.20	2,230,415.68
Oklahoma	507,309.69	625,166.95
Pennsylvania	1,680,464.64	1,993,493.47
Rhode Island	186,279.03	270,634.10
South Carolina	519,200.21	985,181.33
South Dakota	150,605.07	131,526.95
Tennessee	582,614.01	1,096,199.59
Texas	2,088,694.16	2,910,922.93
Vermont	87,197.32	21,558.55
Virginia	864,013.53	656,244.35
West Virginia	404,265.22	530,435.45
Wisconsin	864,010.79	1,226,677.85
Wyoming	71,339.50	229,215.64
District of Columbia	166,461.06	[1] 314,494.93
Puerto Rico	511,272.27	781,457.70
New York City	1,696,319.28	[1] 4,297,893.32
City and county of Denver	107,012.10	[1] 111,561.96
Detroit	364,627.77	[1] 212,498.73
Tampa	59,450.88	[1] 79,686.70
Honolulu	110,972.66	[1] 10,625.10
Buffalo	114,930.39	
Erie County, N.Y.	114,934.63	[1] 291,060.28
Cleveland	190,242.40	[1] 90,311.92
Philadelphia	435,970.04	[1] 563,122.90
Pittsburgh	130,785.72	
Allegheny County, Pa.	221,950.50	[1] 15,937.10
Chicago	772,846.37	[1] 90,311.51
Baltimore	206,095.40	[1] 435,622.14
Boston	150,605.93	[1] 591,372.67
Memphis	107,012.18	[1] 201,874.51
Nashville	87,191.03	[1] 69,060.82

[1] Includes payment made Dec. 16, 1971.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on August 16, 1972, the President had approved and signed the joint resolution (S.J. Res. 254) to authorize the printing and binding of a revised edition of Senate Procedure and providing the same shall be subject to copyright by the author.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. STEVENSON) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

REVENUE SHARING ACT OF 1972

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate H.R. 14370, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 14370) to provide payments to localities for high-priority expenditures, to encourage the States to supplement their revenue sources, and to authorize Federal collection of State individual income taxes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments.

The ACTING PRESIDENT pro tempore. Under the previous order, the unfinished business, Senate Joint Resolution 241, will be laid aside and will remain laid aside until the close of business today and until the close of business on September 5, 1972.

Mr. LONG. Mr. President, the basic problems we are dealing with in this bill are among the major problems in our economy today. Any close examination of the fiscal status of States and local governments indicates that they need fiscal assistance and need it now. It is hard to examine the financial situation of State and local governments without coming away with the conclusion that they are in serious financial trouble. Our State and local governments are daily confronted with urgent requests for more and more services; at the same time, the cost of providing these services is soaring.

Actually, State and local governments have tried valiantly to meet these problems. Between the fiscal years 1955 and 1970, State and local general expenditures rose from $33.7 billion to $131.3 billion. In terms of current dollars, this is virtually a tripling of their expenditures in this 15-year period. Actually, many of the larger governmental units have experienced still larger increases.

The State and local governments have tried to deal with this demand for more services in a fiscally responsible manner. General revenues of State and local governments from all sources in the same period, 1955 to 1970, have increased from $33.1 billion to $131.8 billion. This is a tripling of revenues in this period of time.

However, State and local governments are now finding it increasingly difficult to continue raising revenues, even though the demand for expenditures continues to rise unabated. In part, this is because their revenue systems—largely based on property taxes and sales taxes—have a limited capacity. This means they must seek rate increases to obtain new revenues, and rate increases—particularly in property taxes—are strongly resisted by taxpayers generally. Also because of their limited jurisdictions, localities, and even States, are finding that they dare not raise their taxes too much, because another local jurisdiction or even a nearby State may not make the same increase. As a result, if they do make the increase, they are encouraging taxpayers with large tax resources to move across the border, to locate themselves in adjoining States.

The cities, because of their still more limited jurisdictions, are facing especially several financial problems as middle-income and higher-income people rapidly move to the suburbs. In part, this is because of the high tax rates the cities have had to impose to meet the demand for more services. This, in turn, leaves the cities with the ever-increasing burden of providing services to large numbers of relatively low-income people who are able to pay only a relatively small share of the cost of these services. The more the city tries to meet these problems by raising taxes, the more rapid is the exodus of those with fiscal resources to the suburbs.

But the current financial problems are not confined to the cities. Small communities, especially in rural areas are also in financial distress, particularly where their inhabitants are poor and the tax base is limited. In their case, their citizenry virtually no government services at all.

The Federal Government has, of course, tried to help the State and local governments in their financial distress. In the period from 1955–70, for example, Federal grants in aid increased from a little over $3 billion to nearly $24 billion—about a sevenfold increase. Since 1970, this has increased to a level of $38.8 billion in 1973—still another 80-percent increase.

However, there has been a real problem with most of the aid we have provided up to now. The aid has been in the form of categorical aid and has been provided on a matching basis. The effect of this has been to encourage State and local governments to expand their expenditures in specified, narrowly defined program areas. This has been true because in these limited areas, for every dollar of their own money they spend, they can receive another dollar from the Federal Government. In some of these areas such as social services, for every dollar of their own money they have received $3 from the Federal Government. The distortions in expenditure patterns that this causes for the State and local governments is clearly illustrated by the direction of the social service expenditures of State and local governments in the past few years. We have seen expenditures in these areas blossom from practically nothing to totals almost as great as prior total government expenditures.

The matching categorical grant programs actually have in many cases intensified the problems of State and local governments. By always compelling the State and local governments to use their limited resources for categorical matching programs, the result is that these governmental units frequently cannot use their own funds for what they consider to be their most pressing needs. Ask any Governor or mayor, and he will tell you that if he could determine the pur-

pose for which the Federal aid is spent, he could make far better use of these funds—and for more efficient use—than he does now.

The revenue-sharing measure which we have before us is designed to deal with the several facets of the problem which I have been outlining to you. First, it will help the State and local governments by providing them immediately with more funds—up to $7.5 billion a year by 4 years from now.

Second, by sharing with the State and local governments up to 7 percent of the Federal individual income tax revenues, we are sharing our most flexible tax source—one which is progressive in its impact and one which is built on the basis of ability to pay.

Third, and probably most important, these additional funds which are being made avaliable to the States and localities are not categorical grants and are not matching programs. These funds are a shared revenue being turned over to the States and localities for them to apply their own priorities, rather than our superimposing on them here in Washington our notion of local priorities. By giving the States and localities freedom to spend these moneys as they and their citizenry believe desirable, I believe that we will receive far more real results per dollar of aid than is true under the ham-strung categorical matching programs. Under revenue sharing, the localities can spend the money where the need is rather than where they can get the most dollars from Uncle Sam.

It is because this represents a new departure even more than because of which in my opinion makes this measure so important. It is a new intergovernmental fiscal device—it is a sharing of the Federal Government's most productive revenue source with the States and localities. Moreover, it is a sharing without this Nation's trying to tell them how to spend the money.

Let me turn now to the specifics of the bill.

The committee's bill, like the House measure, provides a 5-year program of aid to State and local governments starting January 1, 1972; $5.3 billion of revenue-sharing funds is to be distributed to the State and local governments in 1972. Beginning in January 1973 this is to be further increased by $1 billion a year in supplementary grants, which take the place of social service grants—other than those for child welfare and family planning—in the future. In addition, the revenue-sharing funds are increased by annual increments of $300 million in each of the 4 succeeding years, reaching a level of about $6.5 billion in the fifth year of the program. Taking the supplementary grants into account, this means that the total grants under this bill will be $7.5 billion a year by the end of the fifth year.

As in the House bill, the committee version of the bill has a starting date of January 1, 1972. We believe that this starting date is desirable because this program has been under consideration for a long time and, as a result, many State and local governments have already taken the aid into consideration in their budgets. Without this date there would be many crises in State and local finance throughout the country.

Let me turn now to the description of the revenue-sharing bill. The committee's bill allocates two-thirds of the total revenue-sharing payments to local governments and one-third to the States. We made this allocation because local governments generally are in a more precarious financial condition that State governments and also because local governments now account for about two-thirds of total State and local expenditures.

The House bill provides for a somewhat similar two-thirds—one-third allocation of the $5.3 billion initial level of payments.

The committee bill also provides that the $300 million of annual increase in the revenue-sharing payments after the first year also are to be divided between localities and States on a two-thirds—one-third basis. Similarly, the supplemental payments of $1 billion a year are also divided on this same basis. The House bill would have allocated all of the $300 million of annual increase in revenue-sharing funds to the States—a results which we thought was unfair to the localities in view of the expected increase in their financial burdens.

Certainly, one of our major departures from the House bill was in the formulas for the distribution of the revenue sharing funds to the States and localities. Here, we made a number of very substantial improvements. The committee bill is more effective than the House bill in "putting the money where the needs are."

Instead of having one formula for distribution to the States and another for distribution to local governments within the States as under the House bill, the committee bill provides a single formula to serve both purposes. This has the advantage of providing consistent treatment in allocating funds to State and local governments. This standard formula distributes the total revenue sharing funds to the States and their local governments on the basis of population weighted by "tax effort" and by relative poverty levels as they are measured by inverse relative income levels.

This formula recognizes that the need of a governmental unit for revenue-sharing increases with the size of its population and to the extent the income levels of its residents are lower than in other communities.

By taking tax effort into consideration in the distribution formula, the committee bill recognizes that the extent that State and local governments are willing to help themselves should also be used to measure the extent of Federal aid.

The formula in the committee bill also avoids a number of pitfalls of the House formulas. The House bill, for example, distributed funds to the States only on an incentive basis—that is, on the basis of general tax effort and income tax collections. This ignored the "need" factor in distributing funds and meant that the lower income States received less than their fair share.

Another defect of the House bill is that the distributions to the States were to be based in substantial part on their income tax collections. This would have meant that the Federal Government would be dictating to the State governments what taxes they should use. This discriminates markedly against States with either no income tax or low income taxes. It also would have the effect of distorting the choices of the States in determining what taxes they should impose or increase in the light of their particular needs. The committee bill by taking into consideration general tax effort from all sources avoids this deficiency.

The House formula for distributing funds to local governments also contained defects. This formula would have given equal weight to population, urbanization, and relative income levels. The House selected the urbanization factor, and to some extent the relative income factor, in order to give significant relief to the cities which are faced with especially serious financial problems. However, in practice, the House formula would distribute relatively large amounts of aid to well-to-do suburbs, reducing the amounts available for distribution to the cities and low income rural areas.

The reason for this defect in the House formula is the emphasis it places on urbanized areas, which include not only the cities but also the surrounding suburbs. The committee bill, by emphasizing both low-income levels and tax effort, channels more of the revenue-sharing funds, both to the cities and to the poorer rural areas. New York City, for example, will receive over $33 per capita under the committee bill as compared to $20 per capita under the House bill; Detroit will receive over $28 per capita instead of $17; and Gary, Ind., over $22 per capita instead of less than $14 per capita.

I realize that there has been some concern because the formula for revenue sharing in helping some of the poorer States has had the effect of decreasing to some extent the amount of funds which, under the House version, would go to our more populous States. This point of view was brought to the attention of the committee by the very able Senator from Connecticut (Mr. RIBICOFF) in his very articulate and effective manner. We were sympathetic with his concern. The fact that tax effort is one of the elements in our revenue-sharing distribution formula helps the urbanized areas. However, we took even more direct aim at this problem by the manner in which the supplementary grants are distributed. This $1 billion supplemental grant under the committee action is distributed to each State on the basis of its urbanized population, but with a floor providing that no less than 30 percent of the population of each State is to be considered as urbanized.

The effect of this action was to distribute this $1 billion in a manner which appreciably benefited the more urban

and industrialized States. As a result, the combined effect of the revenue sharing and supplemental grant program is that all but four States, and the District of Columbia, receive more funds under the action taken by the committee than was the case in the House bill. This is shown in table 1 in the committee report which compares the distribution by States under the committee bill with the distribution provided by the original administration proposal and the House bill. Mr. President, I ask unanimous consent that the table showing this distribution be printed at this point.

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

TABLE 1.—DISTRIBUTION OF FUNDS TO STATES UNDER ADMINISTRATION PROPOSAL, HOUSE AND FINANCE COMMITTEE VERSIONS OF H.R. 14370 AND DIFFERENCES IN THE AMOUNTS DISTRIBUTED UNDER THE THREE VERSIONS OF THE BILL

[Amounts in millions of dollars]

States	Administration proposal [1]	House bill [2]	Committee bill [3]	Differences between— House bill and administration proposal	Committee bill and administration proposal	Committee bill and House bill
United States, total	5,000.0	5,300.0	6,300.0	300.0	1,300.0	1,000.0
Alabama	82.1	80.2	138.2	−1.9	56.1	58.0
Alaska	8.6	6.6	6.2	−2.0	−2.4	−.4
Arizona	51.4	46.1	64.7	−5.3	13.3	18.6
Arkansas	43.0	38.3	65.2	−4.7	22.2	26.9
California	590.2	610.8	644.4	20.6	54.2	33.6
Colorado	60.1	59.4	71.8	−.7	11.7	12.4
Connecticut	59.2	72.6	74.9	13.4	15.7	2.3
Delaware	13.4	17.3	15.8	3.9	2.4	−1.5
District of Columbia	22.9	26.0	20.4	3.1	−2.5	−5.6
Florida	167.4	150.0	194.6	−17.4	27.2	44.6
Georgia	107.5	103.4	136.3	−4.1	28.8	32.9
Hawaii	23.5	25.9	26.4	2.4	2.9	.5
Idaho	20.1	15.4	23.6	−4.7	3.5	8.2
Illinois	219.8	301.8	316.2	82.0	96.4	14.4
Indiana	115.8	113.8	134.5	−2.0	18.7	20.7
Iowa	74.5	67.8	91.6	−6.7	17.1	23.8
Kansas	54.2	47.7	64.5	−6.5	10.3	16.8
Kentucky	78.2	71.8	105.2	−6.4	27.0	33.4
Louisiana	101.5	83.2	138.9	−18.3	37.4	55.7
Maine	22.9	19.9	36.7	−3.0	13.8	16.8
Maryland	92.7	117.5	116.3	24.8	23.6	−1.2
Massachusetts	136.2	179.0	179.5	42.8	43.3	.5
Michigan	229.1	243.7	257.9	14.6	28.8	14.2
Minnesota	107.8	114.1	124.0	6.3	16.2	9.9
Mississippi	61.3	46.0	105.1	−15.3	43.8	59.1
Missouri	96.4	107.6	129.9	11.2	33.5	22.3
Montana	18.8	16.7	24.3	−2.1	5.5	7.6
Nebraska	39.0	34.5	52.0	−4.5	13.0	17.5
Nevada	13.9	12.2	14.7	−1.7	.8	2.5
New Hampshire	15.0	13.5	18.5	−1.5	3.5	5.0
New Jersey	153.8	179.7	193.0	25.9	39.2	13.3
New Mexico	31.8	22.5	39.0	−9.3	7.2	16.5
New York	534.1	649.6	625.1	115.5	91.0	−24.5
North Carolina	113.3	113.0	161.4	−.3	48.1	48.4
North Dakota	20.5	12.0	23.2	−8.5	2.7	11.2
Ohio	212.5	227.4	240.5	14.9	28.0	13.1
Oklahoma	63.7	52.9	74.0	−10.8	10.3	21.2
Oregon	56.9	60.1	70.0	3.2	13.1	9.9
Pennsylvania	246.2	300.9	347.6	54.7	101.4	46.7
Rhode Island	20.8	25.9	29.3	5.1	8.5	3.4
South Carolina	56.7	57.9	95.9	1.2	39.2	38.0
South Dakota	18.8	13.5	29.3	−5.3	10.5	15.8
Tennessee	86.8	79.3	120.4	−7.5	33.6	41.1
Texas	243.0	248.3	326.0	5.3	83.0	77.7
Utah	28.7	29.0	40.6	.3	11.9	11.4
Vermont	11.9	11.0	17.4	−.9	5.5	6.4
Virginia	104.6	115.6	129.6	11.0	25.0	14.0
Washington	92.0	79.1	107.8	−12.9	15.8	28.7
West Virginia	41.7	36.4	61.8	−5.3	20.1	25.4
Wisconsin	124.4	137.0	164.2	12.6	39.8	27.2
Wyoming	11.4	6.1	11.5	−5.3	.1	5.4

[1] The administration proposal would have distributed funds to the States on the basis of population weighted by general revenue effort. This is for fiscal year 1973.

[2] The House bill would have distributed $1,800,000,000 to the States based on general State and local tax effort, and State individual income tax receipts, and $3,500,000,000 to the local units of government within each State based on 3 factors: population, urbanizer population, and relative income. This is the amount for the last six months of the fiscal year 1972 placed on an annual basis.

[3] The committee formula for distributing revenue sharing funds to the States is based on State population multiplied by the inverse of the State relative per capita income (the lower the per capita income the higher the weight of the factor) multipled by tax effort (State and local tax collections as a percentage of total personal income in the State). The amounts shown also include the supplemental sharing grants. These are distributed on the basis of urbanized population (with a 30-percent floor). The revenue sharing distribution is the amount for the last six months of fiscal 1972, placed on an annual basis. The supplemental sharing grants shown are those which first become applicable on January 1, 1973.

Note: Details may not add to totals because of rounding.

Mr. LONG. Mr. President, Senators will note, in the last column of this table that, as I indicated, all but four of the States, and the District of Columbia, do better under the committee bill than under the House bill. Even in these States the extent to which the funds are decreased from the House level is quite small.

The committee's bill also gives each State considerable flexibility in revising the formula for distributing the funds to its local governments. For the first 12 months of the program the funds must be distributed to the local governments on the basis of the standard formula—namely, population weighted by both tax effort and relative income. After the first 12 months of the program, however, each State may continue to have the funds distributed to its local governments on the basis of the standard formula, or it may by law choose to have the distribution made on the basis of two alternative factors. These alternative factors are population weighted by relative income and population weighted by tax effort. The State may use any combination of the two factors it desires. This is in accord with the principle we have tried to follow in this bill of leaving with the State and local governments the maximum discretionary powers.

Besides the improvement in the distribution formulas, the committee amended the House bill in a number of other respects.

Probably the most important of these amendments is the one deleting the House provision which requires local governments to spend the aid funds only for specified high-priority items. In the opinion of the committee, forcing local governments to spend the revenue-sharing funds for certain specified items would be inconsistent with the broad objective of this bill—to give the State and local governments maximum discretion in making the most efficient use of these funds. We are convinced that local governments know better than we do in the Senate as to what their needs are. Dictation by the Federal Government as to how they should use the revenue-sharing funds runs contrary to our whole understanding of the purpose of the bill. We also believe that to do so would deprive them of the right to make the most efficient use of these funds.

For similar reasons, we deleted the House provision which requires laborers and mechanics employed by contractors and subcontractors on construction financed in whole or in part from revenue-sharing funds to be paid wages at rates complying with the Davis-Bacon Act. The committee believes that it is no more appropriate to specify the wage rates to be paid from funds in such cases than to specify how the local governments are to spend the funds in the first instance.

Although, as I have indicated, we do not believe in deciding the question of priorities for the local governments, we do believe that the local governments should take their citizens' views into account in determining expenditure priorities. As a result, the committee adopted an amendment to require State and local governments to make reports to their residents indicating how they plan to spend these funds. These reports must be published in newspapers of local circulation and must also be made available to all communications media within their geographic area.

I also want to call the Senator's attention to the fact that the committee bill generally accepted the House provision authorizing the Federal Government to administer and collect State income taxes for those States which agree on a voluntary basis to have the Federal Government perform this function for them. States which wish to enter into such agreements will, of course, have to conform their income taxes to the Federal income tax. Otherwise, it would be impractical for the Federal Government to collect State taxes. However, the fact that a significant number of States have

already adopted income taxes that conform substantially with the Federal income tax suggests that this may not be too much of an obstacle.

While the committee accepted most of the House provisions in regard to Federal collection of State income taxes, it did make a few changes. Probably the most important of these is the effective date change providing that the piggyback program will go into effect after January 1, 1974, when any number of States accounting for at least 5 percent of the taxpayers in the United States agree to have the Federal Government collect their income taxes. The House bill would also have required five States to request Federal collection of their taxes for the program to be instituted.

Let me turn now from revenue sharing to the important provisions the committee has adopted in regard to social services. Before 1962, social services provided to welfare recipients were subject to the same 50 percent Federal matching as was available for administrative expenses. In order to encourage States to prevent and reduce dependency on welfare, the Congress in 1962 increased Federal matching for social services to 75 percent. For 7 years, Federal appropriations for social services increased gradually, more or less consistent with congressional intent, reaching a level of about $350 million in fiscal year 1969. Two years later, however, the amount had more than doubled to about $750 million, and it doubled again in 1 year, exceeding $1.5 billion in 1972. It is now estimated that the social services provisions of the Social Security Act will be exploited to the tune of almost $5 billion in the current fiscal year unless we do something.

The committee bill deals with this problem by continuing 75 percent Federal matching for child care and family planning services—the two basic kinds of social services the committee had in mind when it set up the program. Beginning January 1, 1973, however, there is to be no more Federal matching for other social services under the welfare titles of the Social Security Act. Instead, as I have already indicated, the committee bill establishes a new billion-dollar grant program—with no State or local matching required. No strings are imposed as to how these funds are to be spent. One-third of the amounts are to go directly to State governments, while the remaining two-thirds are to go to local governments. As I have indicated, distribution of the funds among the States are to be on the basis of urbanized population, while within the State the distributions are to be made on the same basis as the revenue-sharing grants.

The committee bill allows for a 6-month transitional period, from July 1 to December 31, 1972, during which States will still receive 75 percent Federal matching for continuing services at the level they were provided before August 9, 1972, the date of the committee's decision.

I believe that what I have said fairly summarizes the bill and describes the more important changes we have made in the House provisions. Before I conclude, however, I want to discuss two further points.

The first of these relates to the problem of where the funds for the revenue-sharing program are to come from in view of the Federal Government's present deficit position. I certainly am well aware of the Federal Government's fiscal problems at the present time. No one can be a member of the Finance Committee and have the responsibility which we have for raising necessary revenue and for action on the debt limitation without being acutely aware of the present fiscal problems of the Nation.

I certainly would agree that the deficits we have run in the fiscal years 1971 and 1972 of $23 billion in each year plus the significantly greater deficit which we undoubtedly will run in the fiscal year 1973 present us with serious financial problems. I certainly can also agree that steps need to be taken to improve the Federal budget position. I cannot agree, however, that the presence of these large deficits in the Federal budget should in themselves preclude revenue sharing with the State and local governments in view of their very real need for fiscal assistance. To permit Federal deficits to forestall revenue sharing implies that State and local fiscal assistance had a lower priority in terms of expenditures than all other present expenditure programs. This is certainly a position I, for one, cannot accept. I believe that the revenue sharing represents one of the Nation's most vital needs, and I am unwilling to forego this program because of our present deficit position on other Federal spending programs.

Much of our fiscal problems can, of course, be overcome by again restoring full employment in this country. However, to the extent this does not achieve the desired end, I believe that it is other expenditure programs, and not revenue sharing, which should be eliminated or reduced.

Finally, let me deal with the problem that some of my friends on the Appropriations Committee apparently have with this bill. They have expressed concern because this bill contains a permament appropriation. They have indicated the intent of asking that this bill be amended to appropriate funds only for the first year and a half and then leave to the Appropriations Committee, for annual consideration, the question of appropriations for the subsequent years.

I can understand their concern with this matter, but I do not believe that they understand the basic nature of this program. As the name of the bill implies, this is a program for the "sharing" of revenues. This in itself implies that it should be a continuing and ongoing program and not subject to annual appropriations. In this respect, we have modeled the fund after the old age and survivors insurance trust fund as well as other Social Security Act trust funds. In this bill, we have provided that 7 percent of Federal individual income taxes annually are to be set aside or permanently appropriated to a trust fund for State and local governments. I note that this is precisely how the social security benefit payments have been handled since 1936 without any question being raised as to the exclusive jurisdiction over this matter by the Finance Committee.

More important, however, to subject this program to the vicissitudes of annual appropriations is to destroy at least half of the value of the revenue sharing program. The very essence of revenue sharing is that here are funds which the local government can definitely plan upon and take into account in their budgetary considerations. We all know the problems of the categorical grant programs at the present time and how the local governments often do not have these funds available to them until the year is partially or sometimes largely past. They cannot plan for efficient and economical use of the money on this basis and in fact would not be able to count on revenue sharing funds if they were subject to annual appropriations.

We, in this revenue-sharing program, are expressing our trust in the State and local governments. We are expressing our belief that, given assurance that they will have these funds, they will spend them economically and in the public interest. If we are not willing to accept this thesis we are in reality not willing to accept a real revenue sharing program. This is the problem which I fear some of my friends on the Appropriations Committee failed to recognize. This is one of the very features of the bill which makes this landmark legislation. To destroy the concept of sharing revenue with the States and localities through the use of the trust fund destroys much of the originality and value of this concept of the sharing of revenue.

In conclusion, I want to again emphasize the importance of this legislation and to urge my colleagues to consider it carefully during the recess which we are about to begin. I hope it will be possible for us to complete action on this shortly after our return. It is important that we do so. Time is running out on us to act on this problem of the fiscal needs of our States and local governments. We must not fail them if our federal system is to survive.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be regarded as original text for purpose of further amendment.

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

The amendments agreed to en bloc are as follows:

On page 1, following the enacting clause, strike out all through line 17 on page 34, and insert the following new language:

TITLE I—SHARING OF INDIVIDUAL INCOME TAX REVENUES WITH STATE AND LOCAL GOVERNMENTS

Subtitle A—ALLOCATION AND PAYMENT OF FUNDS

SEC. 101. SHORT TITLE.

This title may be cited as the "Revenue Sharing Act of 1972".

SEC. 102. CREATION OF TRUST FUND.

(a) IN GENERAL.—There is created on the books of the Treasury of the United States a

Trust Fund to be known as the Revenue Sharing Trust Fund (referred to in this subtitle as the "Trust Fund"). The Trust Fund shall consist of the amounts appropriated to it as provided in this section. There are hereby appropriated to the Trust Fund, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to—

(1) for the fiscal year ending June 30, 1972, 3½ percent of the Federal individual income taxes received in the Treasury during such fiscal year;

(2) for the fiscal years ending June 30, 1973, June 30, 1974, June 30, 1975, and June 30, 1976, 7 percent of the Federal individual income taxes received in the Treasury during each such fiscal year; and

(3) for the fiscal year ending June 30, 1977, 3½ percent of the Federal individual income taxes received in the Treasury during such fiscal year.

The amounts appropriated by paragraphs (1), (2), and (3) shall be transferred from time to time from the general fund of the Treasury to the Trust Fund on the basis of estimates made by the Secretary of the amounts referred to in such paragraphs.

(b) FEDERAL INDIVIDUAL INCOME TAXES.—For purposes of subsection (a), the term "Federal individual income taxes" means the tax imposed by chapter 1 of the Internal Revenue Code of 1954 on the income of individuals and the tax deducted and withheld at source on wages under chapter 24 of such Code.

(c) TRUSTEE; REPORTS TO CONGRESS.—The Secretary of the Treasury shall be the trustee of the Trust Fund, and shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding fiscal year.

(d) EXPENDITURES FROM TRUST FUND.—Except as provided in this subtitle, amounts in the Trust Fund shall be available for, and may be used only for, payments by the Secretary to State governments and units of local government under this subtitle. Such amounts shall remain available without fiscal year limitation.

(e) TRANSFERS FROM TRUST FUND TO GENERAL FUND.—The Secretary shall from time to time transfer from the Trust Fund to the general fund of the Treasury any moneys in the Trust Fund which he determines will not be needed to make payments to State governments and units of local government under this subtitle.

SEC. 103. PAYMENTS TO STATE AND LOCAL GOVERNMENTS

Except as otherwise provided in this subtitle, the Secretary shall, for each entitlement period, pay out of the Trust Fund to—

(1) each State government a total amount equal to the entitlement of such State government for the period (determined under section 104(c)), and

(2) each unit of local government a total amount equal to the entitlement of such unit for the period (determined under section 105).

Such payments shall be made in installments during the entitlement period but not less often than once each quarter. Such payments for any entitlement period may be initially made on the basis of estimates. Proper adjustment shall be made in the amount of any payment to a State government or a unit of local government, to the extent that the payments previously made to such government under this subtitle were in excess of or less than the amounts required to be paid.

SEC. 104. ALLOCATION AMONG STATES

(a) IN GENERAL.—The Secretary shall, for each entitlement period, allocate among the States so much of the moneys appropriated to the Trust Fund for the fiscal year which includes such entitlement periods as does not exceed—

(1) $2,650,000,000, in the case of the entitlement period beginning January 1, 1972,

(2) $5,450,000,000, in the case of the entitlement period beginning July 1, 1972,

(3) $5,750,000,000, in the case of the entitlement period beginning July 1, 1973,

(4) $6,050,000,000, in the case of the entitlement period beginning July 1, 1974,

(5) $6,350,000,000, in the case of the entitlement period beginning July 1, 1975, and

(6) $3,325,000,000, in the case of the entitlement period beginning July 1, 1976.

(b) ALLOCATION AMONG STATES.—There shall be allocated to each State for each entitlement period an amount which bears the same ratio to the total amount to be allocated for such period under subsection (a) as—

(1) the population of that State, multiplied by the general tax effort factor of that State, multiplied by the relative income factor of that State, bears to

(2) the sum of the products determined under paragraph (1) for all States.

(c) DIVISION BETWEEN STATE AND LOCAL GOVERNMENTS.—The State government shall be entitled to receive one-third of the amount allocated to that State for each entitlement period. The remaining portion of each State's allocation shall be allocated among the units of local government of that State as provided in section 105.

(d) STATE MUST MAINTAIN TRANSFERS TO LOCAL GOVERNMENTS.—

(1) GENERAL RULE.—The entitlement of any State government for any entitlement period beginning on or after July 1, 1973, shall be reduced by the amount (if any) by which—

(A) the average of the aggregate amounts transferred by the State government (out of its own sources) during such period and the preceding entitlement period to all units of local government in such State, is less than,

(B) the similar aggregate amount for the one-year period beginning July 1, 1971.

For purposes of subparagraph (A), the amount of any reduction in the entitlement of a State government under this subsection for any entitlement period shall, for subsequent entitlement periods, be treated as an amount transferred by the State government (out of its own sources) during such period to units of local government in such State.

(2) ADJUSTMENT WHERE STATE ASSUMES RESPONSIBILITY FOR CATEGORY OF EXPENDITURES.—If the State government establishes to the satisfaction of the Secretary that since June 30, 1972, it has assumed responsibility for a category of expenditures which (before July 1, 1972) was the responsibility of local governments located in such State, then, under regulations prescribed by the Secretary, the aggregate amount taken into account under paragraph (1)(B) shall be reduced to the extent that increased State government spending (out of its own sources) for such category has replaced corresponding amounts which for the one-year period beginning July 1, 1971, it transferred to units of local government.

(3) SPECIAL RULE FOR PERIOD BEGINNING JULY 1, 1976.—In the case of the entitlement period beginning July 1, 1976, and ending December 31, 1976, the aggregate amount taken into account under paragraph (1)(A) for the preceding entitlement period and the aggregate amount taken into account under subparagraph (A) shall be allocated to the amounts which (but for this paragraph) would be taken into account.

(4) REDUCTION IN ENTITLEMENT.—If the Secretary has reason to believe that paragraph (1) requires the reduction of such titlement of any State government for any entitlement period, he shall give reasonable notice and opportunity for hearing to the State. If, thereafter, he determines that paragraph (1) requires a reduction in the entitlement, he shall also determine the amount of such reduction and shall notify the Governor of such State of such determinations and shall withhold from subsequent payments to such State government under this substitle an amount equal to such reduction.

(5) TRANSFER TO GENERAL FUND.—An amount equal to the reduction in the entitlement of any State government which results from the application of this subsection (after any judicial review under section 143) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final.

SEC. 105. ALLOCATIONS TO LOCAL GOVERNMENTS WITHIN A STATE

(a) ALLOCATION AMONG COUNTY AREAS.—The amount to be allocated to the units of local government within a State for any entitlement period shall be allocated among the county areas located in that State so that each county area will receive an amount which bears the same ratio to the total amount to be allocated to the units of local government within that State as—

(1) the population of that county area, multiplied by the general tax effort factor of that county area, multiplied by the relative income factor of that county area, bears to

(2) the sum of the products determined under paragraph (1) for all county areas within that State.

(b) ALLOCATION TO COUNTY GOVERNMENTS, MUNICIPALITIES, TOWNSHIPS, ETC.—

(1) COUNTY GOVERNMENTS.—The county government shall be allocated that portion of the amount allocated to the county area for the entitlement period under subsection (a) which bears the same ratio to such amount as the adjusted taxes of the county government bear to the adjusted taxes of the county government and all other units of local government located in the county area.

(2) OTHER UNITS OF LOCAL GOVERNMENT.—The amount remaining for allocation within a county area after the application of paragraph (1) shall be allocated among the units of local government (other than the county government and other than township governments) located in that county area so that each unit of local government will receive an amount which bears the same ratio to the total amount to be allocated to the units of local government within that county area as—

(A) the population of that local government, multiplied by the general tax effort factor of that local government, multiplied by the relative income factor of that local government, bears to

(B) that portion of each amount set aside under subparagraph (A) for all units of local government within the county area (other than the county government and other than township governments).

(3) TOWNSHIP GOVERNMENTS.—If the county area includes one or more township governments, then before applying paragraph (2)—

(A) there shall be set aside for allocation under subparagraph (B) to such township governments that portion of each amount allocated to the county area for the entitlement period which bears the same ratio to such amount as the sum of the adjusted taxes of all such township governments bears to the aggregate taxes of the county government, such township governments, and all other units of local government located in the county area, and

(B) the sum of the products determined under paragraph (1)(B) shall be one-half of each township government on the same basis as amounts are allocated to units of local government under paragraph (2).

If this paragraph applies with respect to any county area for any entitlement period, the remaining portion allocated under paragraph

(2) to the units of local government located in the county area (other than the county government and the township governments) shall be appropriately reduced to reflect the amounts set aside under subparagraph (A).

(4) ENTITLEMENT.—

(A) IN GENERAL.—Except as otherwise provided in this paragraph, the entitlement of any unit of local government for any entitlement period shall be the amount allocated to such unit under this subsection (after taking into account any applicable modification under subsection (c)).

(B) MAXIMUM AND MINIMUM PER CAPITA ENTITLEMENT.—Subject to the provisions of subparagraphs (C) and (D), the per capita amount allocated to any county area or any unit of local government (other than a county government) within a State under this section for any entitlement period shall not be less than 20 percent, nor more than 145 percent, of two-thirds of the amount allocated to the State under section 104(a), divided by the population of that State.

(C) LIMITATION.—The amount allocated to any unit of local government under this section for any entitlement period shall not exceed 50 percent of the sum of (i) such government's adjusted taxes, and (ii) the intergovernmental transfers of revenue to such government (other than transfers to such government under this subtitle).

(D) ENTITLEMENT LESS THAN $200, OR GOVERNING BODY WAIVES ENTITLEMENT.—If (but for this subparagraph) the entitlement of any unit of local government below the level of the county government—

(i) would be less than $200 for any entitlement period ($100 for an entitlement period of 6 months), or

(ii) is waived for any entitlement period by the governing body of such unit,

then the amount of such entitlement for such period shall (in lieu of being paid to such unit) be added to, and shall become a part of, the entitlement for such period of the county government of the county area in which such unit is located.

(5) ADJUSTMENT OF ENTITLEMENT.—

(A) IN GENERAL.—In adjusting the allocation of any county area or unit of local government, the Secretary shall make any adjustment required under paragraph (4)(B) first, any adjustment required under paragraph (4)(C) next, and any adjusted required under paragraph (4)(D) last.

(B) ADJUSTMENT FOR APPLICATION OF MAXIMUM OR MINIMUM PER CAPITA ENTITLEMENT.—The Secretary shall adjust the allocations made under this section to county areas or to units of local government in any State in order to bring those allocations into compliance with the provisions of paragraph (4)(B). In making such adjustments he shall make any necessary adjustments with respect to county areas before making any necessary adjustments with respect to units of local government.

(C) ADJUSTMENT FOR APPLICATION OF LIMITATION.—In any case in which the amount allocated to a county government or to a unit of local government within a county area is reduced under paragraph (4)(C) by the Secretary, the amount of that reduction—

(i) in the case of a unit of local government (other than a county government), shall be added to and increase the allocation of the government of the county in which it is located, unless (on account of the application of paragraph (4)) that county government may not receive it, in which case the amount of the reduction shall be added to and increase the allocation of the government of the State in which that unit of local government is located; and

(ii) in the case of a county government, shall be added to and increase the allocation of the government of the State in which it is located.

(D) ADJUSTMENT FOR APPLICATION OF MINIMAL ALLOCATION OR WAIVER.—In any case in which the amount of the allocation to a unit of local government is reduced under paragraph (4)(D), the Secretary shall allocate that amount in accordance with the provisions of that paragraph.

(c) SPECIAL ALLOCATION RULES.—

(1) OPTIONAL FORMULA.—A State may by law provide for the allocation of funds among county areas, or among units of local government (other than county governments), on the basis of the population multiplied by the general tax effort factors of such areas or units of local government, on the basis of the population multiplied by the relative income factors of such areas or units of local government, or on the basis of a combination of those two factors. Any State which provides by law for such a variation in the distribution formula provided by subsection (a), or by paragraphs (2) and (3) of subsection (b), shall notify the Secretary of such law not later than 30 days before the beginning of the first entitlement period to which such law is to apply. Any such law shall—

(A) provide for allocating 100 percent of the aggregate amount to be allocated under subsection (a), or by paragraphs (2) and (3) of subsection (b);

(B) apply uniformly throughout the State; and

(C) apply during the period beginning on the first day of the first entitlement period to which it applies and ending on December 31, 1976.

(2) CERTIFICATION.—Paragraph (1) shall apply within a State only if the Secretary certifies that the State law complies with the requirements of such paragraph. The Secretary shall not certify any such law with respect to which he receives notification later than 30 days prior to the entitlement period during which it is to apply.

(3) SPECIAL RULE FOR SIX-MONTH PERIOD BEGINNING JANUARY 1, 1973.—For purposes of this subsection, the period beginning January 1, 1973, and ending June 30, 1973, shall be treated as a separate entitlement period with respect to any State law which meets the requirements of paragraph (1) and provides for the allocation during that period of one-half of the funds otherwise allocated under subsection (a), or paragraphs (2) and (3) of subsection (b), for the entitlement period beginning July 1, 1972.

(d) GOVERNMENTAL DEFINITIONS AND RELATED RULES.—For purposes of this section—

(1) UNITS OF LOCAL GOVERNMENT.—The term "unit of local government" means the government of a county, municipality, township, or other unit of government below the State which is a unit of general government (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes).

(2) CERTAIN AREAS TREATED AS COUNTIES.—In any State where, for part or all of its geographic area, the next unit of local government below the State government is a city or other unit, the geographic area of such unit shall be treated as a county area (and such unit shall be treated as a county government) with respect to that portion of the State's geographic area.

(3) TOWNSHIPS.—The term "township" includes equivalent subdivisions of government having different designations (such as "towns"), and shall be determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes.

(4) UNITS OF LOCAL GOVERNMENT LOCATED IN LARGER ENTITY.—A unit of local government shall be treated as located in a larger entity if part or all of its geographic area is located in the larger entity.

(5) ONLY PART OF UNIT LOCATED IN LARGER ENTITY.—If only part of a unit of local government is located in a larger entity, such part shall be treated for allocation purposes as a separate unit of local government, and all computations shall, except as otherwise provided in regulations, be made on the basis of the ratio which the estimated population of such part bears to the population of the entirety of such unit.

(6) BOUNDARY CHANGES, GOVERNMENTAL REORGANIZATION, ETC.—If, by reason of boundary line changes, by reason of State statutory or constitutional changes, by reason of annexations or other governmental reorganizations, or by reason of other circumstances, the application of any provision of this section to units of local government does not carry out the purposes of this subtitle, the application of such provision shall be made, under regulations, in a manner which is consistent with such purposes.

SEC. 106. DEFINITIONS AND SPECIAL RULES FOR APPLICATION OF ALLOCATION FORMULAS.

(a) IN GENERAL.—For purposes of this subtitle—

(1) POPULATION.—Population shall be determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes.

(2) INCOME.—Income means total money income received from all sources, as determined by the Bureau of the Census for general statistical purposes.

(3) PERSONAL INCOME.—Personal income means the income of individuals, as determined by the Department of Commerce for national income accounts purposes.

(4) DATES FOR DETERMINING ALLOCATIONS AND ENTITLEMENTS.—Except as provided in regulations, the determination of allocations and entitlements for any entitlement period shall be made as of the April 1 immediately preceding the beginning of such period.

(5) INTERGOVERNMENTAL TRANSFERS.—The intergovernmental transfers of revenue to any government are the amounts of revenue received by that government from other governments as a share in financing (or as reimbursement for) the performance of governmental functions, as determined by the Bureau of the Census for general statistical purposes.

(6) DATA USED; UNIFORMITY OF DATA.—

(A) GENERAL RULE.—Except as provided in subparagraph (B), the data used shall be the most recently available data provided by the Bureau of the Census or the Department of Commerce, as the case may be.

(B) USE OF ESTIMATES, ETC.—Where the Secretary determines that the data referred to in subparagraph (A) are not current enough or are not comprehensive enough to provide for equitable allocations, he may use such additional data (including data based on estimates) as may be provided for in regulations.

(b) GENERAL TAX EFFORT FACTOR OF STATES.—For purposes of this subtitle—

(1) IN GENERAL.—The general tax effort factor of any State for any entitlement period is (A) the net amount collected from the State and local taxes of such State during the most recent reporting year, divided by (B) the aggregate personal income (as defined in paragraph (3) of subsection (a)) attributed to such State for the same period.

(2) STATE AND LOCAL TAXES.—

(A) TAXES TAKEN INTO ACCOUNT.—The State and local taxes taken into account under paragraph (1) are the compulsory contributions exacted by the State (or by any political subdivision of the State) for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay), as such contributions are determined by the Bureau of the Census for general statistical purposes.

(B) MOST RECENT REPORTING YEAR.—The most recent reporting year with respect to any entitlement period consists of the years

taken into account by the Bureau of the Census in its most recent general determination of State and local taxes made before the close of such period.

(c) GENERAL TAX EFFORT FACTOR OF COUNTY AREA.—For purposes of this subtitle, the general tax effort factor of any county area for any entitlement period is—

(1) the adjusted taxes of the county government plus the adjusted taxes of each unit of local government within that county area, divided by

(2) the aggregate income (as defined in paragraph (2) of subsection (a)) attributed to that county area.

(d) GENERAL TAX EFFORT OF UNIT OF LOCAL GOVERNMENT.—For purposes of this subtitle—

(1) IN GENERAL.—The general tax effort factor of any unit of local government for any entitlement period is—

(A) the adjusted taxes of that unit of local government, divided by

(B) the aggregate income (as defined in paragraph (2) of subsection (a)) attributed to that unit of local government.

(2) ADJUSTED TAXES.—

(A) IN GENERAL.—The adjusted taxes of any unit of government are—

(i) the compulsory contributions exacted by such government for public purposes (other than employee and employer assessments and contributions to finance retirement and social insurance systems, and other than special assessments for capital outlay) as such contributions are determined by the Bureau of the Census for general statistical purposes,

(ii) adjusted (under regulations prescribed by the Secretary) by excluding an amount equal to that portion of such compulsory contributions which is properly allocable to expenses for education.

(B) CERTAIN SALES TAXES COLLECTED BY COUNTIES.—In any case where—

(i) a county government exacts sales taxes within a unit of local government and transfers part of all of such taxes to such unit without specifying the purposes for which such unit may spend the revenues, and

(ii) the Governor of the State notifies the Secretary that the requirements of this subparagraph have been met with respect to such taxes,

then the taxes so transferred shall be treated as the taxes of the unit of local government (and not the taxes of the county government).

(e) RELATIVE INCOME FACTOR.—For purposes of this subtitle, the relative income factor is a fraction—

(1) in the case of a State, the numerator of which is the per capita income of the United States and the denominator of which is the per capita income of that State;

(2) in the case of a ciunty area, the numerator of which is the per capita income of the State in which it is located and the denominator of which is the per capita income of that county area; and

(3) in the case of a unit of local government, the numerator of which is the per capita income of the county area in which it is located and the denominator of which is the per capita income of the geographic area of that unit of local government.

For purposes of this subsection, per capita income shall be determined on the basis of income as defined in paragraph (2) of subsection (a).

SEC. 107. REPORTS TO SECRETARY; PUBLICATION.

(a) REPORTS ON USE OF FUNDS.—Each State government and unit of local government which receives funds under this subtitle shall, after the close of each entitlement period, submit a report to the Secretary setting forth the amounts and purposes for which funds received during such period have been spent or obligated. Such reports shall be in such form and detail and shall be submitted at such time as the Secretary may prescribe.

(b) REPORTS ON PLANNED USE OF FUNDS.—Each State government and unit of local government which expects to receive funds under this subtitle for any entitlement period beginning on or after July 1, 1972, shall submit a report to the Secretary setting forth the amounts and purposes for which it plans to spend or obligate the funds which it expects to receive during such period. Such reports shall be in such form and detail as the Secretary may prescribe and shall be submitted at such time before the beginning of the entitlement period as the Secretary may prescribe (except that in the case of the entitlement period beginning July 1, 1972, such report shall be submitted at such time before January 1, 1973, as the Secretary may prescribe).

(c) PUBLICATION AND PUBLICITY OF REPORTS.—Each State government and unit of local government shall have a copy of each report submitted by it under subsection (a) or (b) published in a newspaper which is published within the State and has general circulation within the geographic area of that government. Each State government and unit of local government shall advise the news media of the publication of its reports pursuant to this subsection.

SEC. 108. NONDISCRIMINATION PROVISION.

(a) IN GENERAL.—No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this subtitle.

(b) AUTHORITY OF SECRETARY.—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located) of the noncompliance and shall request the Governor to secure compliance. If within a reasonable period of time the Governor fails or refuses to secure compliance, the Secretary is authorized (1) to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); or (3) to take such other action as may be provided by law.

(c) AUTHORITY OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that a State government or unit of local government is engaged in a pattern or practice in violation of the provisions 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.

SEC. 109. PROHIBITION ON USE AS A MATCHING FUNDS.

(a) IN GENERAL.—No State government or unit of local government may use, directly or indirectly, any part of the funds it receives under this subtitle as a contribution for the purpose of obtaining Federal funds under any law of the United States which requires such government to make a contribution in order to receive Federal funds.

(b) DETERMINATIONS BY SECRETARY OF THE TREASURY.—If the Secretary has reason to believe that a State government or unit of local government has used funds received under this subtitle in violation of subsection (a), he shall give reasonable notice and opportunity for hearing to such government. If, thereafter, the Secretary of the Treasury determines that such government has used funds in violation of subsection (a), he shall notify such government of his determination and shall request repayment to the United States of an amount equal to the funds so used. To the extent that such government fails to repay such amount, the Secretary shall withhold from subsequent payments to such government under this subtitle an amount equal to the funds so used.

(c) INCREASED STATE OR LOCAL GOVERNMENT REVENUES.—No State government or unit of local government shall be determined to have used funds in violation of subsection (a) with respect to any funds received for any entitlement period to the extent that the net revenues received by it from its own sources during such period exceed the net revenues received by it from its own sources during the one-year period beginning July 1, 1971 (or one-half of such net revenues, in the case of an entitlement period of 6 months).

(d) DEPOSITS AND TRANSFERS TO GENERAL FUND.—Any amount repaid by a State government or unit of local government under subsection (b) shall be deposited in the general fund of the Treasury. An amount equal to the reduction in payments to any State government or unit of local government which results from the application of this section (after any judicial review under section 143) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final.

SEC. 110. MISCELLANEOUS PROVISIONS.

(a) ASSURANCES TO THE SECRETARY.—In order to qualify for any payment under this subtitle for any entitlement period beginning on or after July 1, 1973, a State government or unit of local government must establish (in accordance with regulations prescribed by the Secretary, and, with respect to a unit of local government, after an opportunity for review and comment by the Governor of the State in which such unit is located) to the satisfaction of the Secretary that—

(1) it will establish a trust fund in which it will deposit all payments it receives under this subtitle;

(2) it will use amounts in such trust fund (including any interest earned thereon while in such trust fund) during such reasonable period or periods as may be provided in such regulations;

(3) it will provide for the expenditure of amounts received under this subtitle only in accordance with the laws and procedures applicable to the expenditures of its own revenues;

(4) it will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therefor by the Secretary (after consultation with the Comptroller General of the United States),

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this subtitle (or, in the case of the Comptroller General, as the Comptroller General may reasonably require for purposes of reviewing compliance and operations under subsection (c)(2)), and

(C) make such annual and interim reports (other than reports required by section 107) to the Secretary as he may reasonably require; and

(5) in the case of a unit of local government, persons employed in jobs financed in whole or in part out of its trust fund established under paragraph (1) will be paid wages which are not lower than the prevailing rates of pay for persons employed in similar jobs by such unit of local government.

In order to qualify for any payment under this subtitle for the entitlement period beginning on July 1, 1972, a State government or unit of local government must establish to the satisfaction of the Secretary that it

will comply as soon as possible before July 1, 1973, with the requirements of the preceding paragraphs.

(b) WITHHOLDING OF PAYMENTS.—If the Secretary determines that a State government or unit of local government has failed to comply substantially with any provision of subsection (a) or any regulations prescribed thereunder, after giving reasonable notice and opportunity for a hearing to the Governor of the State or the chief executive officer of the unit of local government, he shall notify the State government or unit of local government that if it fails to take corrective action within 60 days from the date of receipt of such notification further payments to it shall be withheld for the remainder of the entitlement period and for any subsequent entitlement period until such time as the Secretary is satisfied that appropriate corrective action has been taken and that there will no longer be any failure to comply. Until he is satisfied, the Secretary shall make no further payments of such amounts.

(c) ACCOUNTING, AUDITING, AND EVALUATION.—

(1) IN GENERAL.—The Secretary shall provide for such accounting and auditing procedures, evaluations, and reviews as may be necessary to insure that the expenditures of funds by State governments and units of local governments comply fully with the requirements of this subtitle. The Secretary is authorized to accept an audit by a State of the expenditures of a State government or unit of local government under this subtitle if he determines that such audit and the audit procedures of that State are sufficiently reliable to enable him to carry out his duties under this subtitle.

(2) COMPTROLLER GENERAL SHALL REVIEW COMPLIANCE.—The Comptroller General of the United States shall make such reviews of the work as done by the Secretary, the State governments, and the units of local governments as may be necessary for the Congress to evaluate compliance and operations under this subtitle.

Subtitle B—SUPPLEMENTARY GRANTS TO STATE AND LOCAL GOVERNMENTS

SEC. 121. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—For the purpose of enabling the Secretary to make the grants authorized by this subtitle, there are authorized to be appropriated such sums as may be necessary to assure the availability, for the making of grants under this subtitle, of the sum of $500,000,000 for the entitlement period beginning January 1, 1973, $1,000,000,000 for each of the entitlement periods beginning on July 1 of 1973, 1974, and 1975, and $500,000,000 for the entitlement period beginning July 1, 1976.

(b) ADDITIONAL AMOUNTS.—Any appropriated Federal funds, which are available after December 31, 1972, for the purposes of making payments to States for services under title I, X, XIV, or XVI, or part A of title IV, of the Social Security Act and which are not utilized for such purposes, shall be available for the purpose of making the grants authorized by this subtitle for the entitlement period beginning January 1, 1973.

SEC. 122. PAYMENTS.

(a) IN GENERAL.—The Secretary shall allocate to each State, for each entitlement period beginning on or after January 1, 1973, an amount which bears the same ratio to the total amount available for making grants for the period (but not exceeding $500,000,000, in the case of the entitlement period beginning January 1, 1973) as the urbanized population of that State bears to the urbanized population of all the States.

(b) DIVISION BETWEEN STATE AND LOCAL GOVERNMENTS.—

(1) PAYMENT TO STATE GOVERNMENT.—Of the sum allocated under subsection (a) to any State for any entitlement period, an amount equal to one-third of such sum shall be paid to the government of that State, and an amount equal to two-thirds of such sum shall be paid to the units of local government in that State.

(2) PAYMENTS TO UNITS OF LOCAL GOVERNMENT.—The amount payable to any unit of local government in any State for any entitlement period is an amount (A) which bears the same ratio to the total amount payable for such entitlement period to all such units in such State as (B) the amount payable to such unit for the same entitlement period under subtitle A bears to the total amount payable for such entitlement period to all such units in such State under such subtitle.

(c) APPLICATION OF SUBTITLE A.—The provisions of sections 107, 108, 109, and 110 of subtitle A shall apply to the making of payments under this subtitle.

(d) COORDINATION OF PAYMENTS.—To the maximum extent feasible payments of grants under this subtitle shall be made at the same time and in the same manner as payments are made to State governments and units of local government under subtitle A.

(e) ENTITLEMENT PERIOD BEGINNING JANUARY 1, 1973.—For purposes of this subtitle, the term "entitlement period" includes the period beginning January 1, 1973, and ending June 30, 1973. For purposes of making payments under subsection (b)(2) for such entitlement period, the entitlement period under substitute A is the entitlement period beginning July 1, 1972.

SEC. 123. DEFINITION OF URBANIZED POUPLATION.

For purposes of this subtitle, the term "urbanized population", when used in reference to any State, means (A) the population of each area, within such State, which consists of a central city or cities of 50,000 or more inhabitants (and of the surrounding closely settled territory for such city or cities) which is treated as an urbanized area by the Bureau of the Census for general statistical purposes, or, if greater, (B) 30 percent of the population of such State (determined on the same basis as resident population is determined by the Bureau of the Census for general statistical purposes). The data used for determining population and urbanized population under this section shall be the most recently available data provided by the Bureau of the Census, except that where the Secretary determines that the data so provided are not current enough or are not comprehensive enough to provide for equitable allocations, he may use such additional data (including data based on estimates) as may be provided for in regulations.

On page 67, beginning at line 15, strike out:

(c) DISTRICT OF COLUMBIA.—

(1) TREATED AS STATE.—For purposes of this title, the District of Columbia shall be treated as a State, and any reference to the Governor of a State shall, in the case of the District of Columbia, be treated as a reference to the Commissioner of the District of Columbia.

(2) TREATED AS LOCAL GOVERNMENT.—For purposes of subtitle A, the District of Columbia shall be treated as a county which has no units of local government (other than itself) within its geographic area; except that it shall be treated as a State for purposes of the allocation under section 103(a), and the amount allocated to it under section 103(a) for any entitlement period shall be the entitlement of the District of Columbia under subtitle A for such period.

(3) REDUCTION IN CASE OF INCOME TAX ON NONRESIDENT INDIVIDUALS.—If there is hereafter enacted a law imposing a tax on income earned in the District of Columbia by individuals who are not residents of the District of Columbia, then an amount equal to the net collections from such tax during any entitlement period attributable to individuals who are not residents of the District of Columbia shall be applied—

(A) first to reduce the income tax share of the District of Columbia under subtitle B for such period (to the extent thereof),

(B) then to reduce the combined tax effort share of the District of Columbia under subtitle B for such period (to the extent thereof), and

(C) then to reduce the entitlement of the District of Columbia under subtitle A for such period.

And in lieu thereof insert:

(c) DISTRICT OF COLUMBIA.—For purposes of this title, the District of Columbia shall be treated both—

(1) as a State (and any reference to the Governor of a State shall in the case of the District of Columbia, be treated as a reference to the Commissioner of the District of Columbia), and

(2) as a county area which has no units of local government (other than itself) within its geographic area.

On page 69, in line 17, strike out "Any local government which receives a 60-day notice under section 105(b), and any State which receives a notice of a reduction in its entitlement under section 122(c)(4), may, within 60 days after receiving such notice, file with the United States court of appeals for the circuit in which such State or local government is located a petition for review of the action of the Secretary." and insert in lieu thereof "Any State which receives a notice of reduction in entitlement under section 104(d), and any State or unit of local government which receives a notice of withholding of payments under section 109(b) or 110(b), may, within 60 days after receiving such notice, file with the United States court of appeals for the circuit in which such State or unit of local government is located a petition for review of the action of the Secretary.

On page 72, beginning with line 9, strike out:

"(a) CIVIL PENALTY.—If any person who is required by regulations prescribed under section 6017A to include on any return information with respect to his place of residence fails to comply with such requirement at the time prescribed by such regulations, such person shall pay a penalty of $5 for each such failure, unless it is shown that such failure is due to reasonable cause.

And insert in lieu thereof:

"(a) CIVIL PENALTY.—If any person fails to include on his return any information required under section 6017A with respect to his place of residence, he shall pay a penalty of $5 for each such failure, unless it is shown that such failure is due to reasonable cause.

On page 79, starting with line 11, strike out:

"(B) A nonrefundable credit is allowed against such tax, on the basis of a specified number of dollars per capita, with respect to a general sales tax imposed by the State.

At the beginning of line 15, strike out "(C)" and insert in lieu thereof "(B)";

At the end of line 17, after the word "State", insert "or a political subdivision thereof."; beginning with line 19, strike out:

"(3) DEFINITIONS.—For purposes of this subsection and subsection (e)—

"(A) NET TAX-EXEMPT INCOME.—The term 'net tax-exempt income' means the excess

(if any) of the interest on obligations excluded from gross income under section 103(a)(1) (relating to interest on certain State and local obligations), over the sum of (i) the amount of deductions allocable to such interest which is disallowed by application of section 265, and (ii) the amount of the proper adjustment to basis allocable to such obligations which is required to be made for the taxable year under section 1016(a) (5) or (6).

"(B) NET STATE INCOME TAX DEDUCTION.—The term 'net State income tax deduction' means the excess (if any) of (i) the amount deducted from income under section 164(a)(3) as taxes paid to a State or a political subdivision thereof, over (ii) amounts included in income as recoveries of prior income taxes paid to a State or a political subdivision thereof which had been deducted under section 164(a)(3).

And, in lieu thereof insert:

"(3) NET STATE INCOME TAX DEDUCTION.—For purposes of this subsection and subsection (c), the term 'net State income tax deduction' means the excess (if any) of (A) the amount deducted from income under section 164(a)(3) as taxes paid to a State or a political subdivision thereof, over (B) amounts included in income as recoveries of prior income taxes paid to a State or a political subdivision thereof which had been deducted under section 164(a)(3).

"(4) NET TAX-EXEMPT INCOME.—For purposes of this subsection and subsection (c), the term 'net tax-exempt income' means the excess (if any) of—

"(A) the interest on obligations described in section 103(a)(1) other than obligations of the State and its political subdivisions, and

"(B) the interest on obligations described in such section of the State and its political subdivision which under the law of the State is subject to the individual income tax imposed by the State, over the sum of the amount of deductions allocable to such interest which is disallowed by application of section 265, and the amount of the proper adjustment to basis allocable to such obligations which is required to be made for the taxable year under section 1016(a) (5) or (6).

On page 82, beginning at line 20, strike out:

"(4) FURTHER PERMITTED ADJUSTMENTS.—A tax which otherwise meets the requirements of paragraphs (1) and (2) shall not be deemed to fail to meet such requirements solely because it provides for one or both of the following adjustments:

"(A) A nonrefundable credit is allowed against such tax, on the basis of a specified number of dollars per capita, with respect to a general sales tax imposed by the State.

"(B) A credit determined under rules prescribed by the Secretary or his delegate is allowed against such tax for income tax paid to another State.

And insert in lieu thereof:

"(4) FURTHER PERMITTED ADJUSTMENT.—A tax which otherwise meets the requirements of paragraphs (1) and (2) shall not be deemed to fail to meet such requirements solely because a credit determined under rules prescribed by the Secretary or his delegate is allowed against such tax for income tax paid to another State or a political subdivision thereof.

On page 89, in line 21, strike out "September 1" and insert in lieu thereof "November 1".

On page 92, in line 1, strike out "Public Law 91-569 (and the amendments made thereby) with respect to the withholding of compensation to which such Public Law applies" and insert "section 26, 226A, or 324 of the Interstate Commerce Act or of section 1112 of the Federal Aviation Act of 1958 with respect to the withholding of compensation to which such sections apply"; on page 93, in line 5, after the word "apply", strike out "after" and insert "on or after"; in line 22, after the word "agreement", strike out "made" and insert "received"; on page 99, in line 10, after "January 1", strike out "beginning more than one year after the first date on which at least 5 States (having residents who in the aggregate filed 5 percent or more of the Federal individual income tax returns filed during 1972) and insert "which is more than one year after the first date on which one or more States having residents who in the aggregate filed 5 percent or more of the Federal individual income tax returns filed during 1972"; and, at the top of page 100, insert a new title, as follows:

TITLE III—LIMITATION ON GRANTS FOR SOCIAL SERVICES UNDER PUBLIC ASSISTANCE PROGRAMS

INTERIM PROVISIONS

SEC. 301. (a) Notwithstanding sections 3(a) (4) and (5), 403(a) (3) and (5), 1003(a) (3) and (4), 1403(a) (3) and (4), and 1603(a) (4) and (5) of the Social Security Act, no payment shall be made to any State with respect to services (other than child care services (as defined in subsection (b)(3)), family planning services, and services provided pursuant to section 402(a)(19)(G) of such Act) provided under any of its plans approved under titles I, X, XIV, or XVI or part A of title IV of such Act for the period commencing July 1, 1972 and ending with the close of December 31, 1972. In lieu of payments for such period pursuant to the above enumerated sections the Secretary of Health, Education, and Welfare shall pay to each State an amount equal to whichever of the following is the greater—

(1) an amount which bears the same ratio to $500,000,000 as the urbanized population (as defined in section 123 of the Revenue Sharing Act of 1972) of such State bears to the urbanized population of all the States, or

(2) the total of the Federal payments which it would (except for the provisions of this section) have received with respect to expenditures for such services for such period under the above enumerated sections, but not counting, for purposes of determining the amount of such Federal payments, any expenditure by such State which is attributable to the provision of such services (A) after December 31, 1972, or (B) under a new project (as defined in subsection (b)(2)).

(b) For purposes of this section—

(1) The term "State" means the fifty States and the District of Columbia.

(2) The term "new project", when used in reference to the provision of social services, means any project for the provision of such services (whether operated directly by the State agency authorizing the project or by any other person) under which social services are initially provided after August 9, 1972. Social services provided after August 9, 1972, under a project, under which such services were initially provided on or before such date, shall be regarded as being provided under a new project, if such services would not have been provided thereunder except for a modification, expansion, renewal, or extension, of such project.

(3) The term "child care services" means services provided to meet the needs of a child for personal care, protection, and supervision, but only in the case of a child where the provision of such services is needed (A) in order to enable a member of such child's family to accept or continue in employment or to participate in training to prepare such member for employment, or (B) because of the death, continued absence from the home, or incapacity of the child's mother and the inability of any member of such child's family to provide adequate care and supervision for such child.

(c) Any appropriated Federal funds which are available after June 30, 1972, for the purpose of making payments to States for services under title I, X, XIV, or XVI, or part A of title IV of the Social Security Act, shall be available for the purpose of making grants authorized by this section.

AMENDMENTS TO PART A OF TITLE IV OF THE SOCIAL SECURITY ACT

SEC. 302. Part A of title IV of the Social Security Act is amended—

(1)(A) by striking out "and rehabilitation and other services" in the first sentence of section 401, and

(B) by striking out "and services" in the second sentence thereof;

(2) by striking out "and Services" in the heading immediately preceding section 402;

(3)(A) by striking out "and services" in the matter preceding clause (1) of section 402(a),

(B) by striking out ", with particular emphasis" and all that follows down to the semicolon in clause (5)(B) of such section and inserting in lieu thereof "in the administration of the plan",

(C) by striking out clause (13) of such section,

(D) by striking out "such family services, as defined in section 406(d), and child welfare services, as defined in section 425" in clause (14) of such section and inserting in lieu thereof "such child care services, as defined in section 406(d), family planning services, and child welfare services available under the State plan approved under part B";

(4) by inserting "subject to subsection (e)," immediately before "75 per centum" in section 403(a)(3)(A);

(5)(A) by striking out "any of the services described in clauses (14) and (15) of section 402(a)" in subparagraphs (A) (i) and (ii) of section 403(a)(3) and inserting in lieu thereof "child care services as defined in section 406(d) and family planning services",

(B) by striking ": Provided" and all that follows down through "if provided by such staff" in subparagraph (C) of such section,

(C)(i) by striking out "subject to limitations" in subparagraph (D) of such section and inserting in lieu thereof "under conditions", and

(ii) by striking out "by the State health authority" and all that follows in such subparagraph down through "under the Vocational Rehabilitation Act or",

(D)(i) by striking out "except that services described in clause (ii)" and all that follows down through "vocational rehabilitation services so approved;" in the matter following subparagraph (D) of section 403(a)(3), and

(ii) by striking out "child welfare services, family planning services, and family services" in such matter and inserting in lieu thereof "child care services (as defined in section 406(d)) and family planning services"; and

(6) by striking out section 403(a)(5) and inserting in lieu thereof the following:

"(5) in the case of any State, an amount equal to 50 per centum of the total amount expended under the State plan during such quarter as emergency assistance to needy families with children."

(7) by amending section 403(d)(1) to read as follows:

"(d)(1) In addition to amounts paid under subsection (a)(3)(A), the Secretary shall pay to each State with a plan approved

under this part an amount equal to 90 per centum of the total amounts expended during any quarter as are found necessary for the proper and efficient administration of the plan and as are for social and supportive services provided pursuant to section 402(a)(19)(G)";

(8) by adding at the end of section 403 the following new subsection:

"(e) Notwithstanding subsection (a)(3)(A)(i) and (ii), the amount of the payment made thereunder to any State for any quarter shall not exceed 12½ per centum of the total of such amounts paid thereunder for such quarter to all the States.";

(9) by striking out "and services" in the matter preceding clause (1) of section 404(a);

(10) by amending section 406(d) to read as follows:

"(d) The term 'child care services' means services provided to meet the needs of a child for personal care, protection, and supervision, but only in the case of a child where the provision of such services is needed (1) in order to enable a member of such child's family to accept or continue in employment or to participate in training to prepare such member for employment, or (2) because of the death, continued absence from the home, or incapacity of such child's mother and the inability of any member of such child's family to provide adequate care and supervision for such child.".

(b) The amendments made by this section shall become effective January 1, 1973.

CONFORMING AMENDMENTS TO TITLES I, X, XIV, AND XVI OF THE SOCIAL SECURITY ACT

SEC. 303. (a)(1) Section 1(c) of the Social Security Act is amended by striking out "to furnish rehabilitation and other services".

(2) Section 2(a)(5)(B) of such Act is amended by striking out ", with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency", and inserting in lieu thereof "in the administration of the plan".

(3) Section 2(a)(10) of such Act is amended—

(A) by inserting "and" after the semicolon at the end of subparagraph (A) thereof; and

(B) by striking out subparagraph (C) thereof.

(4) Section 3(a)(4) of such Act is amended to read as follows:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."

(5) Section 3(a) of such Act is further amended by striking out paragraph (5) thereof.

(6) Section 3 of such Act is further amended by striking out subsection (c) thereof.

(7) Section 2(a)(12)(C) of such Act is amended by striking out "for services referred to in section 3(a)(4)(A) (i) and (ii) which are appropriate for such recipients and for such patients;".

(b)(1) Section 1001 of the Social Security Act is amended by striking out "to furnish rehabilitation and other services".

(2) Section 1002(a)(5)(B) of such Act is amended by striking out ", with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committee established by the State agency" and inserting in lieu thereof "in the administration of the plan."

(3) Section 1002(a) of such Act is amended—

(A) by inserting "and" immediately after the semicolon at the end of clause (11) thereof; and

(B) by striking out the semicolon at the end of clause (12) thereof and all the matter following such clause up to, but not including the period at the end of such section 1002(a).

(4) Section 1003(a)(3) of such Act is amended to read as follows:

"(3) in the case of any State an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."

(5) Section 1003(a) of such Act is further amended by striking out paragraph (4) thereof.

(6) Section 1003 of such Act is further amended by striking out subsection (c) thereof.

(c)(1) Section 1401 of the Social Security Act is amended by striking out "to furnish rehabilitation and other services".

(2) Section 1402(a)(5)(B) of such Act is amended by striking out ", with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency" and inserting in lieu thereof "in the administration of the plan".

(3) Section 1402(a) of such Act is amended—

(A) by inserting "and" immediately after the semicolon at the end of clause (10); and

(B) by striking out the semicolon at the end of clause (11) thereof and all the matter following such clause up to, but not including, the period at the end of such section 1402(a).

(4) Section 1403(a)(3) of such Act is amended to read as follows:

"(3) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarters as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."

(5) Section 1403(a) of such Act is further amended by striking out paragraph (4) thereof.

(6) Section 1403 of such Act is further amended by striking out subsection (c) thereof.

(d)(1) Section 1601(c) of the Social Security Act is amended by striking out "to furnish rehabilitation and other services".

(2) Section 1602(a)(5)(B) of such Act is amended by striking out ", with particular emphasis on the full-time or part-time employment of recipients and other persons of low income, as community service aides, in the administration of the plan and for the use of nonpaid or partially paid volunteers in a social service volunteer program in providing services to applicants and recipients and in assisting any advisory committees established by the State agency" and inserting in lieu thereof "in the administration of the plan".

(3) Section 1602(a) of such Act is further amended by striking out paragraph (10) thereof.

(4) Section 1603(a)(4) of such Act is amended to read as follows:

"(4) in the case of any State, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training of personnel employed or preparing for employing by the State agency or by the local agency administering the plan in the political subdivision; plus

"(B) one-half of the remainder of such expenditures."

(5) Section 1603(a) of such Act is further amended by striking out paragraph (5) thereof.

(6) Section 1603 of such Act is further amended by striking out subsection (c) thereof.

(7) Section 1602(a)(16)(C) of such Act is amended by striking out for services referred to in section 1603(a)(4)(A) (i) and (ii) which are appropriate for such recipients and for such patients;".

(e) The amendments made by this section shall take effect January 1, 1973.

PUERTO RICO, THE VIRGIN ISLANDS, AND GUAM

SEC. 304. The amendments made by sections 302 and 303 of this title shall not be applicable in the case of the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

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

Mr. LONG. I yield.

Mr. SPARKMAN. Mr. President, I commend and congratulate the distinguished Senator from Louisiana, the chairman of the Committee on Finance, upon this presentation today, and upon the excellent job his committee has done in working out this legislation and getting it to the floor of the Senate. I know it has been a difficult job. The Senator and his committee have stayed right with it.

I believe in the revenue-sharing program. If I had had the privilege of putting something into effect I would have done some things differently, things I have advocated for a good many years. But it became apparent that what I had in mind would not work. I think what the President came up with and what the Committee on Finance worked out is the next best thing and probably the most practical approach. I will not elaborate on what my opinion was, but it had to do with taxation, and receipts

in certain areas. But it became apparent that was not going to be worked out, so I think this is the next best thing.

I call attention to the fact that my colleague from Alabama and I were joint sponsors of the original resolution introduced on behalf of general revenue sharing. As we all know, it has two parts—general revenue sharing and special revenue sharing. Some of the special revenue sharing came to the committee of which I am chairman; we included it in the housing bill which passed the Senate on March 2. That legislation had to do with community development.

I am hopeful that before Congress adjourns the House will have acted on the housing bill of 1972 and that we will get community development in as part of the revenue sharing bill.

My colleague from Alabama had the privilege of steering legislation through the Committee on Agriculture and Forestry which likewise included some of the revenue sharing, and that bill was passed and now has gone to the President.

Mr. ALLEN. That is correct.

Mr. SPARKMAN. That bill has gone to the President in the last few days for his signature. So revenue sharing is moving along regardless of some of the comments that have beer made that we are dragging our feet in connection with revenue sharing.

We have two pieces of revenue sharing legislation that have passed the Senate already in the special field. Now, the Senator comes up with this legislation. I wish we could have completed it before taking the adjournment, but I feel confident that soon after we come back it will become law and it will mean a great deal to the local governments throughout the country.

I commend the committee for working out the formula that I think makes a much fairer distribution. I know, for instance, that in the case of our own State we get better treatment, I think, than we could have gotten under the House bill or under the President's original proposal.

I express my thanks, gratitude, and commendation to the Senator and his committee for that action.

Mr. LONG. I thank the distinguished Senator. I agree with him that many of us have thought there might be a better approach. I, for example, explored the approach of a Federal credit for income taxes paid to the States. I explored this approach, as did others—and while it might help, and in the long run might prove to be a better answer—I was compelled to conclude that the States would not get fiscal relief from it unless at the same time they increased their taxes. Only by levying an income tax or increasing an existing tax, at the same time the credit is allowed—so that it would cost their citizens nothing—would a tax credit mean additional funds for the State government. For instance, a State like Connecticut—which receives part of the overflow from the New York metropolitan area, people who are fortunate enough to live some distance from New York and are able to go back and forth from that major metropolis—would be benefited by this proposal if they imposed an income tax to a much greater extent than a low income State like Louisiana or Alabama, which already has an income tax.

Mr. SPARKMAN. I assure the Senate we have one in Alabama and have for many years.

Mr. LONG. Yes; so while this would be desirable to encourage States to have an income tax, at least in its initial impact it would not place the help where the help is needed. It would give more help to the richer States, and less help to the poorer States where more help is needed most.

In Louisiana we have a revenue-sharing program, from the State to the cities, to help cities get on with their job. We also have something that amounts to a revenue-sharing program at the State level to help counties, which we call parishes in Louisiana as a result of our French background. There is no doubt that the Committee on Finance was able to work out a better formula than the House because we took need and tax effort into account to a greater extent than does the House bill. We concluded that the greatest need is where the people are the poorest.

The people tend to be the poorest in the central cities of the major cities in America and also in the rural areas which are losing population. I know we have rural areas in Louisiana where they have either nothing to tax except pine trees in north Louisiana and nutria in south Louisiana, which has become more of a menace to people trying to earn a living than an asset.

If one looks at the problems that exist and uses a need factor and then couples that to a tax effort factor, it tends to promote justice and equity, to help those who are poor and to help those who help themselves.

The formula spelled out in the bill in county after county will demonstrate that, applied across the Nation, the people who have the greatest need and who are trying to help themselves do get the greatest help under the committee bill. The formula demonstrates that often where the greatest need exists, they are generally making the greatest effort. They are poor and they have a hard time raising revenues.

The reason why the House was not able to arrive at such a formula is that the large States, such as New York and California—and I have nothing but praise for their delegations—have more votes in the House than in the Senate, so that when one advances a "need" formula, he will find delegations from those States tending to resist it.

We will undoubtedly have to compromise this matter with the House, but I am sure the House will see our point and that what will emerge from conference we will be able to vote for, I am sure, in the Senate.

Mr. SPARKMAN. Let me say that I recognize the difficulties of working out a tax situation, as I said a few minutes ago. I think the committee did an excellent job. I do hope when the bill goes to conference, insofar as we can we will sustain the formula that has been worked out by the Senate committee.

Mr. LONG. I thank the distinguished Senator.

Mr. ALLEN. Mr. President, will the Senator yield to me for two purposes, first to comment on the bill, and second, to make an unanimous-consent request?

Mr. LONG. I yield.

Mr. ALLEN. Mr. President, I want to commend the Senator from Louisiana, chairman of the Finance Committee, and to commend the Senator from Utah (Mr. BENNETT), for the fine work of that committee and the diligence and dedication and hard work that they have manifested and given toward bringing this bill to the floor at this time.

Certainly, I approve the concept of revenue sharing. The Federal Government has preempted nearly all of the fields of taxation, and it is only right that some of the revenue that is collected by the Federal Government be turned back, without any strings attached, to local governments. I believe that local governments know better what the needs of their people are than bureaucrats here in Washington. So on that theory I certainly approve of revenue sharing.

I noted the remarks of the able Senator from Louisiana with respect to the theory of this bill—that it helps those who help themselves. I note that that is the same theory the distinguished Senator has with respect to H.R. 1—to help those who try to help themselves. So the Senator is certainly trying to be consistent.

His committee and the members of the committee have put in long hours, days, weeks, and months on these bills. They certainly have been the workhorse of the Senate in the revenue-sharing bill and in the committee's action on H.R. 1.

I certainly want to commend the distinguished Senator from Louisiana, the distinguished Senator from Utah, and all the members of the committee on the great job they have done.

Mr. LONG. I thank the Senator.

ORDER OF PROCEDURE ON H.R. 13915

Mr. ALLEN. Now, Mr. President, I wish to ask unanimous consent that if the House message with respect to H.R. 13915 does not reach the Senate today, it not be referred during the recess, but that it remain at the desk for action by the Senate on September 5.

The PRESIDING OFFICER (Mr. STEVENSON). Is there objection? The occupant of the Chair, as a Senator from Illinois, does object. The unanimous-consent request is not agreed to.

Mr. ALLEN. Mr. President, may I inquire of the Chair to state again what he has just said?

The PRESIDING OFFICER. The occupant of the Chair, as a Senator from Illinois, objected. The Chair ruled that the unanimous-consent request of the Senator from Alabama was not agreed to.

Mr. ALLEN. I thank the distinguished occupant of the chair, the distinguished Senator from Illinois, for his statement.

REVENUE SHARING ACT OF 1972

The Senate continued with the consideration of the bill (H.R. 14370) to provide payments to localities for high-priority expenditures, to encourage the States to supplement their revenue sources, and to authorize Federal collection of State individual income taxes.

Mr. BENNETT. Mr. President, this bill—the Revenue Sharing Act of 1972—is an important step toward renewing our reliance on the federal system and should begin the reversal of the centralizing trend of the past several decades.

This bill will realize the President's objective when he sent his general revenue sharing message to the Congress. His basic objective was to restore the responsibility for making many of the important government decisions to the governmental bodies that are closest to the people affected by the programs. These are obviously the State and local governments, and this bill provides them with the funds to implement the programs which their constituents tell them are needed but which because of their limited financial resources they are unable to finance.

Financial difficulties are not new problems to State and local governments, but they have become acute in the past 7 years. Changes in our society in recent years have greatly increased the demand for services our States and especially our local governments traditionally provide. Coupled with this, rapidly rising prices have greatly increased the costs of providing these services.

By redirecting the flow of tax payments back to the local government level, this legislation begins the effective decentralization of the federal system. This was the intent, of course, in the categorical grant programs. They too were designed to implement local programs through the matching with local funds. However, the Federal Government retained the right to set standards and to approve the nature of the local program before Federal funds were made available. As a result, these programs have become far less effective assistance than initially had been hoped for. The paperwork and bureaucratic decisionmaking interfered with true exercise of local initiative.

This bill starts the reversal of directions because it provides that the Federal Government will distribute $6.3 billion of Federal individual income tax receipts to State and local governments without requiring these governments to prepare an application or submit detailed plans for spending the money in a limited category.

These funds will go to the local governments and to the States according to a formula which is designed to redistribute Federal tax moneys on the basis of the relative need of the residents of the communities and a measure of local efforts to use local tax resources for governmental purposes. The requirement for detailed plans and bureaucratic approval of the program in Washington is absent from this bill. Local governments and the States will decide through their normal budgetary decisionmaking processes upon how they will spend these funds to meet local and State requirements. The decision is theirs alone.

I would like to follow this line of thinking, showing how the Finance Committee bill applies the principle of decentralization throughout the bill. I do not intend to describe and explain the bill in detail because the able chairman of the Committee on Finance has already done so in his customary, masterful way.

The Treasury Department will distribute the revenue sharing funds from a new revenue sharing trust fund which will receive, each full fiscal year, 7 percent of the collections from individual income tax. By financing the program in this fashion, the committee has given the State and local governments a share of that highly productive revenue raising machine which the Federal Government seems to have preempted. This important revenue resource now is being rechanneled back to the State and local governments and the Federal Government thereby is easing the strain on the overburdened revenue sources available to local governments.

As they receive these funds, State and local governments will be able to use them after going through their normal procedures for authorizing and appropriating funds to meet the government budget. The Finance Committee struck from the House bill the provisions that established several high-priority categories upon which the revenue sharing funds were to be spent. The committee's thinking was that the States and the local governments know their needs and problems far better than does the Federal Government. It is our belief that the purpose of decentralization will be carried out most effectively by leaving the important decisions about spending to State and local executives and legislatures. Independent decisionmaking of this sort is the essence of a decentralized Federal process.

One of the factors in the formula that governs the distribution of funds—general tax effort—extends the theme of decentralized Federal responsibility by allocating a part of the funds in terms of how much these governments are willing to draw upon their own tax sources. In this case, the revenue sharing allocations will be relatively greater where the tax effort—total tax collections relative to income—is highest. The two other factors in the formula—population and relative income per capita—measure size and need.

Reports are required from the State and local governments that describe how the revenue-sharing funds were used and by next year these governments will have to prepare reports that describe how they plan to use revenue-sharing funds. These reports will be filed with the Secretary of the Treasury who will use them to examine the program and assess how well the intent of Congress is being carried out. The State and local governments also are required to publish these reports in local newspapers with general circulation in their respective jurisdictions, and they must inform other news media in their communities that the reports have been filed and published. The purpose of requiring local publication and dissemination of the identical report filed with the Secretary of the Treasury is to assure that the citizens of the State and local governments also are given an opportunity to evaluate the plans for spending revenue sharing funds and the efficiency of their governments in carrying out their plans.

Another aspect of the encouragement for the decentralization contained in this bill is designed to make sure that the State and local governments continue their efforts in providing the existing level of matching funds for the various Federal categorical aid programs. Under the committee bill, State and local governments are not to use revenue-sharing funds, either directly or indirectly to obtain Federal matching grants. The objective is to prevent the use of revenue-sharing funds from becoming another method of reliance upon the Federal Treasury. The Secretary of the Treasury is given the responsibility to make sure that the State and local governments comply with this provision.

The Finance Committee retained a provision from the House bill which is designed to assure that the State governments continue to provide the same amount of revenue-sharing funds to their local governments as they did before the availability of Federal revenue sharing.

In other words, there are ongoing programs in most if not all States under which the States share their tax collections with the local communities. We want to make sure that the States continue to do that, that they do not take Federal funds for that purpose, and thus withhold from the local governments the help that has been given in the past.

States are required to continue to distribute to their local governments the same amount of money from their own sources as they did in fiscal year 1972. This provision was placed in the bill to make sure that the State governments did not envision Federal revenue sharing to local governments as a vehicle that would permit them to reduce the degree of their own responsibility. In this provision, the Congress is making sure that decentralization of Government decisionmaking does not mean only that State and local governments will decide how to spend the Federal revenues that are allocated to them. They also are required to continue their own self-support activities on the same scale as before.

Although the formula governing the allocation of Federal revenue sharing funds that has been selected by the Finance Committee is a fair and effective means for distributing moneys according to need and effort, it is recognized that a State and its local governments may believe that there may be a better way of allocating the funds within the State. The committee believed that the general principle has merit, but it believed some limits in this flexibility needed to be set. Accordingly, the committee has provided an alternative formula which States may enact to allocate the funds among county areas and among local governments within counties. The factors in the new formula are derived from

the basic formula in the committee bill. They are population weighted by general tax effort and population weighted by relative income per capita. The States may select any combination of weights for these two variables that appears to satisfy the requirements of their local governments. Selection of an alternative formula, however, may be made only once during the 5-year entitlement period of this bill.

Title II of the bill provides that the Federal Government will collect State individual income taxes when the State tax program conforms very closely to the Federal tax.

This provision was in the House bill, and the committee accepted it because this provision may be the most valuable of all provisions in this bill, in the long run. It may well be the way the decentralized federal system of government will retain its vitality.

The Federal individual income tax is generally acknowledged as the most efficient of all taxes used in this country by any level of the Government. Provision for Federal collection of State taxes when there is substantial identity between the State and Federal individual income tax systems will enable the State governments to share effectively in the revenue raising capacity of the Federal Government, and incidentally will greatly reduce their cost of collecting the income taxes. The Federal Government will do it for them without charge, and simply pass the money back to them. Of the 41 States which presently have an individual income tax, most of them have designed their taxes with the model of the Federal income tax in mind. In fact, most of the State income tax systems conform reasonably close to the Federal tax systems. Four of the State income taxes presently are actually levied as a percentage of the Federal income tax liability. The provision in the bill provides that a State government may voluntarily ask the Treasury to collect its individual income taxes so long as it adjusts the State taxes to conform either with the Federal concept of taxable income or that they levy its tax as a percentage of the Federal tax liability.

I wish to emphasize the voluntary aspect of this provision. There is no requirement that any State enact an individual income tax if it has so far chosen not to do so. No State is under any compulsion to change its existing income tax to conform in any way with the Federal tax if it does not choose to do so. This provision only makes it possible for those States that choose to conform their individual income tax structure to the Federal structure to take advantage of the existing Federal method for collecting the tax.

Some of the critics of the bill maintain that the revenue sharing program should be deferred until the Federal budget is closer to a balance between receipts and outlays. They question whether the revenue sharing assistance to State and local governments is as vital at this time as has been claimed because of the sequence of Federal deficits. These have been greater than $20 billion a year in 3 successive fiscal years, which indicates that the Federal Government raises the danger of renewed inflation at the present time and that the only prudent fiscal policy is to delay new programs until a budget balance has been restored. The committee gave great attention to this problem and believes, however, that this form of fiscal assistance to State and local governments has such a high priority that it should be considered in connection with all other Federal expenditures which help to create the deficit and that revenue sharing should certainly be supplied at this time.

The committee believes that relief to the State and local governments, in view of their present stringent financial situation, is of the utmost importance. The fact that the Federal Government has a large deficit is no greater justification for denying enactment of this program than it would be for deferring or cutting back a large number of current Federal programs. Revenue sharing will not increase the estimated deficit in the Federal budget for the fiscal year 1973, because the budget estimates sent by the President to Congress last January have included the proposed expenditure of Federal funds for revenue sharing with State and local governments. Therefore, the bill will not increase the budget deficit for this fiscal year; and I hope that in the fiscal years ahead, including this, as a part of our overall program, we in Congress will be able to tailor our expenditures so that the burden of this revenue sharing will not be unbearable.

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

Mr. BENNETT. I am happy to yield.

Mr. LONG. Mr. President, I believe it is impossible for anyone to commend too highly the Senator from Utah for the statesmanship he has displayed, both in connection with this measure and in connection with H.R. 1. As the ranking Republican member of the Committee on Finance, the Senator, throughout this year, as well as last year, has been the best friend that the President of the United States has had on that committee, even in the entire Senate, and he has been the President's friend in the tradition of a best friend. He has not only supported the President when he agreed with him, but also, when the administration program left something to be desired, he has had the intellectual honesty and the forthrightness to both suggest to the President what the changes ought to be and to vote to change something, if he felt the national interest would suggest that.

In this case, the Senator from Utah was the prime mover; in fact, he was the person who suggested the formula which the committee had agreed upon.

I think that this formula will be applauded by all those who understand it; particularly, it will be applauded because it not only takes into account the relative income of each community and multipiles the population by a relative income factor, but also, the result is then multiplied by the tax effort factor.

This is a novel way of arriving at a figure; but when applied across the entire Nation to the 39,000 communities, it does more justice than any suggestion that was recommended or any other formula that was devised by anyone else.

The ingenious nature of this formula, and the equity and merit of it, are demonstrated by the fact that when applied to any community that receives a small amount of money, it will be found that it is so because those people have not made much effort to help themselves, or, to some measure, because they are relatively wealthy to begin with. But any community can receive a large amount of assistance from this bill, if its citizens should desire to make the effort to tax themselves in order to provide services that they deem essential.

So we have a very fine formula which we have reviewed with regard to a great number of States. and before this matter has been fully developed on the Senate floor, every Senator will have reviewed it with regard to his own State.

I am satisfied that the committee has done a good job. We have brought the Senate a better bill than the House sent to us, as we pride ourselves in thinking we are capable of doing. I am satisfied that the bill as recommended by the committee would advance the national interest.

The Senator is aware of the fact that we now have $38½ billion annually in Federal grants to States and to local governments. I would ask the Senator if it is not his experience in studying this matter that in many cases we find that much of this $38½ billion is being inefficiently spent, because the States, in order to obtain the money, are being required to spend it on items which both they and we, on examination, find have low priority, compared to something else which deserves greater consideration that the money could be spent for.

Mr. BENNETT. I think it was the realization of this fact that encouraged President Nixon to recommend general revenue sharing, with no strings attached.

I am sure that far and wide over this country there have been communities and States that, looking at the categorical grants available, decided that rather than not sharing in anything, they would try to develop a program—that they may not have needed—to match the specifications of a particular grant just in order to get the money for something they might not need for 10 or 20 years more.

This is the weakness of the categorical grant. It did not show up so much in the beginning, because it was limited to a fairly small number of operations, but over the last few years, every time a new idea has come up in the Senate, somebody has said, "That is a fine idea. We will develop a matching grant program for the States."

As the Senator says, they have been built up to where there is now $38½ billion involved in that. So the States and local governments are in the position of the shopper who goes into the store and buys something he does not need, just because it is cheap or because he can get it for half price.

The bill we have been working on so

long in the committee should begin to eliminate that unwise and unnecessary use of Federal funds.

Mr. LONG. Mr. President, I would like to pursue this point with the Senator. The argument will be made that this matter should be treated as other Federal grant in aid programs are treated and made subject to annual appropriations.

All of us are aware of situations in which a Federal grant program results in a great amount of waste, compared to the way the money would be spent if the State or locality had the money as its own to spend according to its best judgment.

For example, I can demonstrate this with respect to the social service grant program in Louisiana. The State should take the money and spend it on hospital outpatient care where mothers with sick babies are required to wait as long as 3 or more hours to see a doctor, and money is unavailable to be spent in the hospital to provide care for the child and to provide more doctors, more hospital rooms, and more expeditious service for the child. The social service program, however, has made money available to send a social worker to sweep out the house and cook a meal for the father who might be left at home, or to provide someone to baby sit with the healthy child that remains in the home while the mother is waiting in line. The program serves to deny that services be made more readily available to an aged sick person awaiting health treatment in the hospital, although the money would be available to send someone to cook a meal for the spouse who remains at home to make the beds, sweep out the house—a lower priority need than the health care of a sick, aged person in the hospital. Those distortions, in order to obtain Federal matching, would be eliminated by the proposal of this committee, where instead of a categorical grant program we proceed with a program where money would be in the budget as one of the most reliable sources of community or State income and then accounted for under the same budgetary proceeding as is used for the tax money taken from the citizens.

I would ask the Senator if it is not likely that in time, after the program is accepted, the people will look on the money as they look on their own tax money, as taxes they have paid which went to the local government, the only difference being that some went via Washington to get back to the local government.

Mr. BENNETT. Yes. Actually, this is money that people have paid. It has this variation or this difference, however. As the chairman knows, we have poor States and rich States. The Senator and I come from States which are relatively poor. The rich States in part are rich because they house many manufacturing plants or their distributing units. If, as someone suggested, all this bill did was to send back to my State or to the Senator's State the percentage of the income tax our State paid, it would not help to solve the problem so effectively as the system which sends back the percentage of the total tax effort made.

So this, is in effect, a tax equalization program of the same type, in general nature, that exists particularly for school districts in many States, where the States collect the money and distribute it to the local school boards or to the school districts in order to equalize the amount of money available and to equalize the quality of education.

I think this is important for that reason. The chairman mentioned earlier the question of annual appropriations. On the surface, this may seem to be a desirable thing. Here we have $6.3 billion which is going to be divided up among the States. I am sure there are some States—we know that already from our experience in committee—not satisfied with their share. I am sure they would like to be able to come before the Appropriations Committee and say, "Upset the formula. Take some of this money that is going to the other States and give it to us."

Well, the first problem that would be created would arise from eliminating the assurance that each State or local community has under this bill that it would get a specific amount of money. There are 50 States in the Union, and presumably the Appropriations Committee could hear only 50 witnesses, but there are between 38,000 and 39,000 governmental units that will get a share of this program.

Can the Senator imagine the chaos and the confusion, can the Senator imagine the burden we would add to the Appropriations Committee if 39,000 units came up here and said, "We are not satisfied with what we have. We need more." The Appropriations Committee members say, "Well, we do not mean that. We mean that we are either going to appropriate more or less and let it be distributed under your formula."

Even that destroys the assurance that the local government people have under the Finance Committee's bill. The Appropriations Committee members say that they would reserve to themselves the right to decide what States or cities should be paid. They would write into the appropriations that no money may go to a State or no more than x amount is legal for a city or a State. All of that destroys the effectiveness of the formula program.

Mr. LONG. Does it not lend itself to one further thing, which is unintended by those of us who sponsor the bill, that the annual appropriation approach lends itself to the Federal Government's and then to the Treasury's auditing the books of every State and every locality. So that one could then, on the eve of an election, call on his Senator or his Congressman to demand that they audit the books of the city or the county, or even the State, to see if the revenues-sharing money has been properly spent. That would be contrary to what is intended by this proposal. It would be like going out to audit someone's income tax the day he had announced he was a candidate for office. That kind of thing, perhaps would result from the annual appropriation proposal.

Is it not true that the committee does not feel that that approach should be used at all; that the committee believes that responsibility should be primarily left to the people in the communities, that if a public official should do a poor job, or even become corrupt in the use of certain funds, the answer would be for the people to vote that fellow out of office, rather than to punish everyone in the country to prevent a future recurrence of the mischief made by one person in one State.

Mr. BENNETT. We have built into the bill sufficient protection in the requirement that a report must be made and it must be published in the local newspapers. It would not be the Treasury, it would be the GAO, would it not, that would be charged with the auditing of all these books?

Mr. LONG. The Treasury Department would do the auditing, but the GAO would review the auditing. It would bring both into the picture.

Mr. BENNETT. That is right.

Mr. LONG. Actually, the theory of this bill is that, of course, there will be cases where governments—it is customary in this form of government—make mistakes. Of course, there will be cases where some mayor or Governor or some county commissioner will be guilty of an indiscretion, but that does not mean that we have to punish everyone in the country for that. We feel that the answer is for the people to vote such a man out of office and replace him with someone who will make fewer mistakes.

Mr. BENNETT. It would seem to me that, as the bill requires, before a county or a State or a city can use it, the revenue-sharing funds have to go through the regular appropriations process that any other local tax revenue goes through. It would seem to me, then, that that process would make the revenue-sharing funds subject to the auditor of that unit of government.

Mr. LONG. I agree with the distinguished Senator and again I congratulate him for the major and—I am satisfied—the beneficial contribution he has made to this legislation.

Mr. BENNETT. Those are sweet words to the Senator from Utah.

I should like to say, Mr. President, that the Finance Committee is a good team. We respect our chairman. We work for him. We work with him. He is not an autocrat. He is willing to listen to the ideas that members of the committee suggest, and he gives them very careful consideration. I believe that this bill is the result of a combination of many ideas. I am glad that I have had some part in them, but that is true of all the other members of the committee.

Now, Mr. President, there are some differences between this bill and the bill initially recommended by the President. I think that this bill represents a significant improvement over the draft bill that was sent to the Congress. The formula for distributing revenue-sharing funds among the States and the local governments that are in this bill performs the allocation role with greater equity and effectiveness. Nevertheless, the funda-

mental objective of the President which was to increase the vitality of the State and local governments in the Federal system will be achieved with this bill. I recommend that my colleagues in the Senate pass this bill.

In conclusion, let me urge that you give favorable consideration to this legislation. The House has referred to it as "landmark" legislation and I believe that truly it meets this description. It is the best way available to us to return some of the important aspects of self-government to our State and local governments.

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

Mr. BENNETT. Mr. President, I would be happy to yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I would like to express my very real appreciation, both to the distinguished chairman of the Finance Committee and to the distinguished ranking minority member, who has just concluded some very perceptive observations on the pending legislation, and to the other members who serve with me on that committee.

I agree wholeheartedly with what the distinguished Senator from Utah has said. We do have an outstanding chairman of this committee. It has been my privilege to serve on it for a little while. He is the antithesis of autocracy. We can express an opinion. We can ask for a vote on any issue at any time. If we choose, each of us is permitted to project for the full consideration of the committee any ideas that we may have.

Mr. President, if I may go into more detail, I would like to say that this legislation culminates an idea that has been kicking around for a long time, as the distinguished Senators who have already spoken know so well. I do not think that anyone deserves exclusive credit for the idea. Much that has been presented for the consideration of the full Senate today reflects the exhaustive hearings that have afforded Governors and mayors and county officials and other distinguished citizens throughout the length and breadth of the country an opportunity to be heard on some of the very pressing fiscal problems that are recognized today.

I think it also should be noted that one of the arguments made by the Appropriations Committee when we met jointly with that very important committee 3 days ago reflected the feeling of members of the Appropriations Committee that indeed the appropriations to revenue sharing ought to be made annually in order that that committee might exercise an oversight function.

I think what they were saying in effect was that they would like to pass upon the demonstrated wisdom of the State and local governments. And while in many respects it is my feeling that Congress has not exercised its oversight function as openly or as incisively as it should have with regard to this particular type of activity, it occurs to me that there are no established guidelines. I know of no perfect way of meeting the needs of people through a governmental agency. And I should think it would be extremely difficult for any committee of the Senate to examine what one State has done as compared with what another State has done or with what one city has done as compared with what another city did—and then to say that this is the way it ought to be done.

As a matter of fact, it occurs to me, Mr. President, that basically the whole concept embodied in revenue sharing is the idea that local people and States who have firsthand experience and an opportunity to observe firsthand what the local and State problems are, ought to know better than anyone else how to solve those problems.

In effect, among other things, we are saying here this morning: "Let's strip away this redtape that for too long has cluttered up the expenditures in the administration of government by State and local governments and give them an opportunity to demonstrate their unique and different ideas in solving problems that they ought to understand better than anyone else."

I have heard the distinguished chairman of the committee express that view, and I have heard the distinguished ranking minority member of the committee express the same view. And having served as a Governor of Wyoming, I could not agree more with the distinguished Senators that we have seen too often in the past money spent by State and local units of government for one program that did not address itself to the number one problem in that State or local community Money was spent simply because the Federal participation for program A may have been 3 Federal dollars for each local dollar, or 3 Federal dollars for each State dollar, as contrasted with a program that might address itself to the major problem, for which only one Federal dollar was contributed for each State or local dollar. And that is the reason that I think revenue sharing does make good sense.

I have misgivings, as I know others in the Congress do, about a program that contemplates an allocation of funds to the States when the charge is made that the Federal budget is out of balance. But I think that question has been put to rest by those members of the Finance Committee who have already spoken.

May I say in conclusion that I believe there is much merit in the pending bill presented by the Finance Committee. I think it is fair. I think the tests that are applied by the action of the Senate Finance Committee as a substitution for those recommended by the House are sound. They recognize, first of all, that we shall consider population as a major factor and, second, then shall be motivated by their tax effort to recognize the willingness of the people of a State to do the best job they can do or that the State can do to solve its own problems.

Third, we take an inverse proportion of the per capita income as a true measure of need.

On that basis it is interesting to note that the final results embodied in the pending legislation coincide quite closely with what the President recommended when he made the proposal to Congress in the first place.

Mr. President, I ask unanimous consent that a press release which has been prepared by the staff of the Finance Committee be printed at this point in the RECORD.

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

[Committee on Finance Press Release, Aug. 16, 1972]

COMMITTEE OF FINANCE ORDERS REVENUE SHARING BILL REPORTED TO THE SENATE

The Honorable Russell B. Long (D., La.) Chairman of the Committee on Finance, announced today that the Committee, by a vote of 12 to 4, ordered favorably reported to the Senate H.R. 14370, the Revenue Sharing Act of 1972. The major features of the bill as reported by the Committee on Finance are described below:

1. DISTRIBUTION OF FUNDS TO THE STATES

The Committee approved a formula which would distribute in 1972 $5.3 billion in revenue sharing funds (both State and local) among the States on the basis of State population, State and local tax effort, and the inverse per capita income of each State. Under this formula, each State's share is determined by its population multiplied by its tax effort, and further multiplied by its inverse per capita income. The tax effort of each State is measured by the ratio of its total net tax collections to total personal income in the State. Relative per capita income is measured by the ratio of U.S. per capita income to that State's per capita income. Unlike the House bill, the Committee formula does not favor any particular type of tax system for the States such as personal income taxes, but does recognize that general tax effort is a factor which should be considered in any distribution formula for revenue sharing funds.

The Committee bill would distribute an additional $1 billion of revenue sharing funds to the States and localities annually, beginning January 1, 1973, on the basis of "urbanized population." "Urbanized population" is defined by the Bureau of Census generally to mean a central city or cities of 50,000 or more inhabitants (including closely surrounding territories).

The Committee formula differs from the House formula mainly by excluding the income tax factor from the formula for distribution of funds to the States. The Committee believed that it was undesirable to attempt to dictate to the States the structure of their tax laws.

Under the House bill, $1.8 billion would have been distributed to the States in the first year, one-half on the basis of State individual income tax collections and one-half on the basis of the State's general tax effort. The House bill would have distributed $3.5 billion to local units of government based on three equally weighted factors: population, urbanized population, and relative income.

The Committee retained that feature of the House bill which would begin the entitlements to each unit of general government as of January 1, 1972. Since the entitlements are to be made on a fiscal year basis (paid out at least quarterly) and since fiscal year 1973 has already begun, payments of $8.1 billion would be made during the initial fiscal year 1973 while payments in subsequent years would be as follows: $5.750 billion in fiscal year 1974, $6.050 billion in fiscal year 1975, $6.350 billion in fiscal year 1976, and $3.325 billion during the first half of fiscal year 1977. This excludes the $1 billion which would be distributed to the States beginning in fiscal year 1973 on the basis of "urbanized population." The following table compares the distribution by States provided in the Committee bill with the distributions provided by the original Administration proposal and the House bill:

DISTRIBUTION OF FUNDS TO STATES UNDER ADMINISTRATION PROPOSAL, HOUSE AND FINANCE COMMITTEE VERSIONS OF H.R. 14370 AND DIFFERENCES IN THE AMOUNTS DISTRIBUTED UNDER THE 3 VERSIONS OF THE BILL

[Amounts in millions of dollars]

States	Administration proposal [1]	House bill [2]	Committee bill [3]	Differences between— House bill and administration proposal	Differences between— Committee bill and administration proposal	Differences between— Committee bill and House bill
United States, total	5,000.0	5,300.0	6,300.0	300.0	1,300.0	1,000.0
Alabama	82.1	80.2	138.2	−1.9	56.1	58.0
Alaska	8.6	6.6	6.2	−2.0	−2.4	−.4
Arizona	51.4	46.1	64.7	−5.3	13.3	18.6
Arkansas	43.0	38.3	65.2	−4.7	22.2	26.9
California	590.2	610.8	644.4	20.6	54.2	33.6
Colorado	60.1	59.4	71.8	−.7	11.7	12.4
Connecticut	59.2	72.6	74.9	13.4	15.7	2.3
Delaware	13.4	17.3	15.8	3.9	2.4	−1.5
District of Columbia	22.9	26.0	20.4	3.1	−2.5	−5.6
Florida	167.4	150.0	194.6	−17.4	27.2	44.6
Georgia	107.5	103.4	136.3	−4.1	28.8	32.9
Hawaii	23.5	25.9	26.4	2.4	2.9	.5
Idaho	20.1	15.4	23.7	−4.7	3.5	8.2
Illinois	219.8	301.8	316.2	82.0	96.4	14.4
Indiana	115.8	113.8	134.5	−2.0	18.7	20.7
Iowa	74.5	67.8	91.6	−6.7	17.1	23.8
Kansas	54.2	47.7	64.5	−6.5	10.3	16.8
Kentucky	78.2	71.8	105.2	−6.4	27.0	33.4
Louisiana	101.5	83.2	138.9	−18.3	37.4	55.7
Maine	22.9	19.9	36.7	−3.0	13.8	16.8
Maryland	92.7	117.5	116.3	24.8	23.6	−1.2
Massachusetts	136.2	179.0	179.5	42.8	43.3	.5
Michigan	229.1	243.7	257.9	14.6	28.8	14.2
Minnesota	107.8	114.1	124.0	6.3	16.2	9.9
Mississippi	61.3	46.0	105.1	−15.3	43.8	59.1
Missouri	96.4	107.6	129.9	11.2	33.5	22.3
Montana	18.8	16.7	24.3	−2.1	5.5	7.6
Nebraska	39.0	34.5	52.0	−4.5	13.0	17.5
Nevada	13.9	12.2	14.7	−1.7	.8	2.5
New Hampshire	15.0	13.5	18.5	−1.5	3.5	5.0
New Jersey	153.8	179.7	193.0	25.9	39.2	13.3
New Mexico	31.8	22.5	39.0	−9.3	7.2	16.5
New York	534.1	649.6	625.1	115.5	91.0	−24.5
North Carolina	113.3	113.0	161.4	−.3	48.1	48.4
North Dakota	20.5	12.0	23.2	−8.5	2.7	11.2
Ohio	212.5	227.4	240.5	14.9	28.0	13.1
Oklahoma	63.7	52.9	74.0	−10.8	10.3	21.1
Oregon	56.9	60.1	70.0	3.2	13.1	9.9
Pennsylvania	246.2	300.9	347.6	54.7	101.4	46.7
Rhode Island	20.8	25.9	29.3	5.1	8.5	3.4
South Carolina	56.7	57.9	95.9	1.2	39.2	38.0
South Dakota	18.8	13.5	29.3	−5.3	10.5	15.8
Tennessee	86.8	79.3	120.4	−7.5	33.6	41.1
Texas	243.0	248.3	326.0	5.3	83.0	77.7
Utah	28.7	29.0	40.6	.3	11.9	11.6
Vermont	11.9	11.0	17.4	−.9	5.5	6.4
Virginia	104.6	115.6	129.6	11.0	25.0	14.0
Washington	92.0	79.1	107.8	−12.9	15.8	28.7
West Virginia	41.7	36.4	61.8	−5.3	20.1	25.4
Wisconsin	124.4	137.0	164.2	12.6	39.8	27.2
Wyoming	11.4	6.1	11.5	−5.3	.1	5.4

[1] The administration proposal would have distributed funds to the States on the basis of population weighted by general revenue effort. This is for fiscal year 1972.

[2] The House bill would have distributed $1,800,000,000 to the States based on general State and local tax effort, and State individual income tax receipts, and $3,500,000,000 to the local units of government within each State based on 3 factors: population, urbanized population, and relative income. This is the amount for the last 6 months of the fiscal year 1972 placed on an annual basis.

[3] The committee formula for distributing revenue sharing funds to the States is based on State population multiplied by the inverse of the State relative per capita income (the lower the per capita income the higher the weight of factor) multiplied by tax effort (State and local tax collections as a percentage of total personal income in the State). This also includes the supplemental sharing grants. These are distributed on the basis of urbanized population (with a 30-percent floor). The revenue sharing distribution is the amount for the last 6 months of fiscal 1972, placed on an annual basis. The supplemental sharing grants shown are those which first become applicable on Jan. 1, 1973.

Note: Details may not add to totals because of rounding.

II. DISTRIBUTION OF FUNDS TO LOCALITIES

A. Retain the basic two-thirds localities/one-third State distribution of House bill

The Committee agreed with the House bill on the basic distribution of the total amount of shared revenues between the States and all units of local governments. However, the Committee bill, unlike the House bill, would allocate one-third of *each* State's share to the State government, and two-thirds to its local governments. Under the House bill's two-formula approach, the one-third State and the two-thirds local distribution would have been achieved for the nation as a whole, but not necessarily for each State.

B. Limitation on grants to local governments

The Committee also retained the feature of the House bill which provides that the revenue sharing payment to any local government is not to exceed 50 percent of the sum of that government's adjusted taxes and intergovernmental transfers of revenue during the immediately preceding fiscal year.

Funds remaining available because of the reduced entitlement of a county government under this rule are to go to the government of the State within which that county is situated. Funds remaining available because of the reduced entitlement of any other local government under this rule are to go to the government of the county within which that locality is situated, unless these funds are in excess of that county government's entitlement, in which case these funds go to the State government.

C. Incremental allocations

The House bill would have increased the annual amount distributed to the State governments after the first full year by as much as $300 million a year. The Committee bill would distribute the additional funds to the States *and* localities in the same way in which the basic distribution is made under the Committee bill: i.e., one-third to the State Government and two-thirds to the localities:

D. Distributions to local units of government

The House bill would have distributed $3.5 billion annually to the localities for a 5-year period, based on three equally weighted factors: population, urbanized population, and inverse per capita income. The Committee bill would distribute roughly the same amount ($3.5 billion) to the localities in the first year, but would increase the allocation to local units of government by $200 million in each subsequent year, based on essentially the same formula that is used for the distribution of funds to State Governments—population, total tax effort, and inverse per capita income. For the first nine months of the program; i.e., from January 1, 1972, through October 1, 1972, the distribution to both State and local units of government would be based on these factors multiplied together; thereafter the Committee bill would allow the State legislatures the flexibility to adopt a distribution formula which essentially is based on two factors:

(1) population multiplied by tax effort and (2) population multiplied by the inverse ratio of per capita income. The State legislature may choose to weight each of these two factors between zero and 100 percent. Each State would be limited to only one change in the formula for the within State distribution during the full 5-year period. The Committee provided that in no event can any unit of government within each State receive an amount, on a per capita basis, which is less than 20 percent of the average per capita allocation to the State as a whole, and that no unit of government within a State can receive more than 145 percent of the average per capita allocation to the State as a whole.

III. SOCIAL SERVICE

The Committee bill replaces the provisions of present law under which 75 percent Federal matching is available on an open-ended basis for social services to welfare recipients and persons likely to become dependent on welfare. Beginning January 1, 1973, open-ended 75 percent Federal matching are to continue to be available only for child care and family planning services; moreover not more than 12½ percent of all Federal funds for these two services can go to any one State. Child care services covered by this provision are those needed to enable a member of the family to work (or to take job training) or to provide necessary supervision for a child whose mother is dead or incapacitated. Although the bill does not limit the type of child care which the States can make available or purchase for such children, it does not authorize the States to simply establish or underwrite massive child care or pre-kindergarten programs in low-income neighborhoods (as some States have done under interpretation of existing law) and claim 75 percent Federal matching.

Beginning January 1, 1973, the Committee bill replaces grants for social services (other than that for child care and family planning referred to above) by the supplementary revenue sharing grants of $1 billion annually, beginning in fiscal year 1973. These grants are to be allocated among the States on the basis of urbanized population.

For the period between July and December, 1972, the Committee adopted a special transitional provision which will benefit those States which now have somewhat larger social service programs by permitting them to maintain their programs at the present level until the end of December, 1972. Specifically, for the last six months of calendar year 1972, the State government is to receive (other than for child care and family planning services) the higher of (a) its share of $500 million distributed among States on the basis of urbanized population, or (b) 75 percent of the cost of providing social services between July and December, 1972, excluding the cost of any new social services provided after August 9, 1972, and also excluding the cost of any expansion of on-going programs after August 9, 1972.

IV. OTHER ISSUES

The Committee also made several significant changes in the House bill which are described below:

A. High priority categories by local governments

The House bill would have provided that local governments may spend their grants only for activities that fall within a limited group of categories such as operating and maintenance expenditures for public safety: environmental protection, and public transportation. The Committee deleted these "high priority" categories on the grounds that the localities can determine for themselves which priorities the money should be spent for and that Federal restrictions were at best cumbersome and ineffective and at worst, counterproductive. The Committee also noted that the "high priority" categories in the House bill would not have prevented localities from substituting funds saved in these categories by virtue of revenue sharing for other programs not in the high priority list.

To avoid this, the Committee would have had to adopt maintenance of effort requirements on existing local expenditures which would have been contrary to the "no Federal strings" revenue sharing philosophy. The Committee, however, did adopt a provision which would prevent States and local governments from using the funds received under general revenue sharing directly or indirectly for matching purposes under categorical grant-in-aid programs. This was felt necessary in order to avoid a situation in which revenue sharing monies could have a multiplier effect on categorical grant-in-aid programs.

B. Accountability

The Committee adopted a provision under which each unit of government will file a report with the Secretary of the Treasury annually on how it intends to spend its revenue sharing funds and how it has actually spent the revenue sharing funds received in the last year. Each unit of government must cause this report to be published in a newspaper. In this way the people located in each community will know how the communities and the States are spending the revenue sharing funds allocated to them by the Federal Government.

C. Areawide purposes

Under the House bill a State is permitted to require each local government in an area directly affected by one or more areawide, high priority projects to spend up to 10 percent of the local government's entitlements for those specific areawide projects, to the extent that the local government's entitlements are matched on a current basis by the State's spending out of its own resources for those projects. The Committee considered this provision to be unnecessary and deleted it.

D. Trust funds

The House bill requires local governments to establish trust funds and deposit their revenue sharing receipts in such funds. However, it does not require State governments to establish trust funds for their revenue sharing funds. The Committee approved a provision which would also require each State government to establish a trust fund.

E. Davis-Bacon Act

The Committee deleted the provision in the House bill (Sec. 105(a)(6)) which would have required localities which employ laborers and mechanics for construction financed in whole or in part out of its revenue sharing allocation to pay 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.

F. District of Columbia commuter tax

The Committee deleted the provision in the House bill (Sec. 141(c)(3)) which would have reduced the entitlements of the District of Columbia by an amount equal to the net collections of any tax imposed by the District of Columbia on income of nonresidents.

G. "Piggyback" provision

The Committee approved, with minor modification, the "piggyback" provision of the House bill which provides for Federal administration and collection of State individual income taxes in those cases where the States requested the service. The Committee eliminated a permitted adjustment, under the House bill, for a credit allowed against the State income tax, on the basis of a specified number of dollars per capita, with respect to a general sales tax. The Committee also modified the rule in the bill to permit a variation in the State income tax with respect to the taxation of interest on bonds issued by the taxing State. The Committee voted to permit changes in the qualified State tax before November 1 of a calendar year (vice September 1 in House bill) to be eligible for the Federal collection procedure. Finally, the Committee voted to modify the effective date for the Federal collection procedure by eliminating the requirement that five States must have notified the Treasury Department of their intention to seek Federal collection. Hence, the only requirement under the bill as amended is that there must be an election by one or more States, having residents who in the aggregate filed 5 percent or more of the Federal individual income tax returns filed during 1972.

H. Funds subject to State law

The Committee agreed to a provision which would explicitly recognize that the funds must be used by the States and localities subject to their laws and budgetary procedures.

Mr. HANSEN. Mr. President, I think the press release does a good job of summarizing in capsule form what many provisions of the legislation are. Once more I pay my respects to the distinguished chairman of the committee and the distinguished ranking minority member of the committee for having worked side by side along with the other members of the committee in trying first to understand what the problems are in the financing of State and local governments and, second, devising a formula and a bill that I think addresses itself to a specific resolution of those most vexatious problems.

I thank the Senators.

DISRUPTION IN CALIFORNIA FROM SOCIAL SERVICES PROPOSALS

Mr. TUNNEY. Mr. President, I wish to draw the attention of my distinguished colleagues in the Senate, and particularly those who are members of the Finance Committee, to some very serious and disturbing implications of the method the committee has proposed for limiting Federal matching expenditures on social services through the revenue-sharing legislation.

Under the provisions of the committee amendments, the amount allocated to each State from the extra $1 billion a year of the so-called supplementary sharing grants, which would replace social services matching funds, would be divided within the State in the same way as the general revenue-sharing funds.

About a third would go to the State government, and the other two-thirds would be divided between the cities and counties on the basis of population, tax effort, and inverse per capita income.

Leaving aside any question about the absolute amount of funds which would be provided, if this method of intrastate distribution is followed, the consequences in the State of California at least will be totally disruptive, wasteful, and quite contrary both to the intent of the Social Security Act and to the effective provision of basic social services at an adequate and responsible level.

In California, as in other States, the Federal matching moneys are paid to the State.

The State of California itself retains a small proportion of the funds for the provision of services, and provides a small amount of the local matching funds.

The rest of it passes on to the counties. The counties handle some 70 percent of all the social services funds expended in the State. They provide 70 percent of the services. And they also pay from their own resources 70 percent of all matching funds.

Thus, of the total expenditure, the State contributes some 7.5 percent, the Federal Government 75 percent, and the counties 17.5 percent.

In Los Angeles, the county provides some 20.1 percent of the funding, the State 7.3 percent, and the Federal Government 72.6 percent.

In San Diego, the county provides 21 percent, the State 4 percent, and the Federal Government 75 percent.

It is the counties which have the responsibility, and the developed capacity and experience, for providing social services in accordance with the intent of the Social Security Act.

The committee bill, however, would direct one-third of the Federal money to the State, which presumably would still want to delegate the responsibility and pass through part of its share to the counties.

But very substantial funds—and a very substantial proportion of all the funds for any State—are directed to the cities—the cities which now have no responsibility in California for the provisions of services.

What are they to do with the funds? Move into social services? Take up what the counties would be forced to abandon because the existing financial and organizational structure was abandoned? Indeed, is there any compulsion on them to spend the money on these services at all?

I feel sure that the implications of this attempt to use a formula devised to achieve certain ends in the field of revenue sharing for the detailed distribution of funds for social services were not realized when this action was taken.

There is no positive aspect to this change in intrastate distribution of funds at all. Its effect would simply be disruptive of an apparatus which has been found to work satisfactorily.

To avoid this disruption, these provisions must be amended to approach more closely to the status quo. Whatever funds are allocated should be allocated

to the States, as at present, and it should be left to the States and their local governments to provide the services in whatever way has been found to be most appropriate with their needs and circumstances.

Mr. President, I am not now seeking to offer an amendment to this effect. I know that there is considerable attention being given to much more comprehensive amendments dealing with social services which would be able to accommodate this serious objection to the committee version.

It is my hope that during the time of the recess it will be possible to reach some agreement on the best approach to the solution of this potentially very disruptive provision.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954 WITH REGARD TO THE EXEMPT STATUS OF VETERANS' ORGANIZATIONS

Mr. BENNETT. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the immediate consideration of H.R. 11185.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

H.R. 11185, a bill to amend the Internal Revenue Code of 1954 with regard to the exempt status of veterans' organization.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

That (a) section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraph:

"(19) A post or organization of war veterans, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization—

"(A) organized in the United States or any of its possessions,

"(B) at least 75 percent of the members of which are war veterans and substantially all of the other members of which are individuals who are veterans (but not war veterans), or are cadets, or are spouses, widows, or widowers of war veterans or such individuals, and

"(C) no part of the net earnings of which inures to the benefit of any private shareholder or individual.".

(b) Section 512(a) of such Code (relating to definition of unrelated business taxable income) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL RULE APPLICABLE TO ORGANIZATIONS DESCRIBED IN SECTION 501(c)(19).—In the case of an organization described in section 501(c)(19), the term 'unrelated business taxable income' does not include any amount attributable to payments for life, sick, accident, or health insurance with respect to members of such organizations or their dependents which is set aside for the purpose of providing for the payment of insurance benefits or for a purpose specified in section 170(c)(4). If an amount set aside under the preceding sentence is used during the taxable year for a purpose other than a purpose described in the preceding sentence, such amount shall be included, under paragraph (1), in unrelated business taxable income for the taxable year."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1969.

SEC. 2. (a) Section 165(h) of the Internal Revenue Code of 1954 (relating to disaster losses) is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following: "Notwithstanding the provisions of subsection (a), any loss attributable to a disaster occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Disaster Relief Act of 1970 may, at the election of the taxpayer, be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred."; and

(2) inserting before the period in the second sentence a comma and the following: "based on facts existing at the date the taxpayer claims the loss".

(b) Section 6405 of such Code (relating to reports of refunds and credits to the Joint Committee on Internal Revenue Taxation) is amended by adding at the end thereof the following new subsection:

"(d) REFUNDS ATTRIBUTABLE TO CERTAIN DISASTER LOSSES.—If any refund or credit of income taxes is attributable to the taxpayer's election under section 165(h) to deduct a disaster loss for the taxable year immediately preceding the taxable year in which the disaster occurred, the Secretary or his delegate is authorized in his discretion to make the refund or credit, to the extent attributable to such election, without regard to the provisions of subsection (a) of this section. If such refund or credit is made without regard to subsection (a), there shall thereafter be submitted to such Joint Committee a report containing the matter specified in subsection (a) as soon as the Secretary or his delegate shall determine the correct amount of the tax for the taxable year for which the refund or credit is made."

(c) The amendment made by subsection (a) shall apply to disasters occurring after December 31, 1971, in taxable years ending after such date. The amendment made by subsection (b) shall apply with respect to refunds or credits made after July 1, 1972.

Mr. BENNETT. Mr. President, I have reported the bill under instructions from the Finance Committee and have asked the Senate to proceed to its consultation for the purpose of getting through a very important amendment which the Finance Committee attached to the bill.

H.R. 11185, as passed by the House, deals with the tax-exempt status of veterans' organizations and the treatment of their insurance activities under the tax laws. Under present law veterans' organizations have been exempt from tax as social clubs, or as social welfare organizations. The House bill creates a separate exemption category for war veterans' organizations. It also provides that income a war veterans' organization receives from insuring its members and their dependents is not to be subject to the unrelated business income tax, to the extent the income is used or set aside for the insurance benfits or for religious, charitable, educational, and so forth.

The committee accepted this House-passed provision with two modifications. First, it extended the new exempt category and the exemption of the organizations' insurance income from the unrelated business income tax to any veterans' organization whose membership consists of at least 75 percent of war veterans as long as substantially all of the other members are veterans—other than war veterans—cadets, or are spouses, widows or widowers of war veterans or such other individuals. In addition, since the unrelated business income tax was extended to these organizations in 1969 by the Tax Reform Act, the committee made the effective date of this bill as of the date of enactment of the Tax Reform Act.

The committee has also added two amendments to the bill with respect to disaster losses. The first amendment allows a taxpayer, at his option, to deduct a disaster loss—in a Presidentially declared disaster area—occurring at any time during a taxable year for the immediately preceding year. This extends the recently enacted provision—in Public Law 92-336—which allows this treatment if the disaster occurred within the first 6 months of the taxable year to cover taxpayers without regard to when during the taxable year the loss occurred. The 6 months' rule of the recent legislation, for example, denies many fiscal year taxpayers the right to use this provision even for flood losses arising from Hurricane Agnes merely because this storm did not occur in the first 6 months of their taxable years. The second amendment speeds the processing of refund claims resulting from Hurricane Agnes, other recent disasters and similar future disasters by authorizing the Internal Revenue Service to make credits or refunds in excess of $100,000 before submitting a report to the Joint Committee on Internal Revenue Taxation. A report will be submitted to the joint committee after the refund is made.

This bill has been reported unanimously by the committee and the Treasury Department does not object to the bill's enactment.

Mr. President, one or two very large companies have suffered almost fatal damage as a result of the damage done by Hurricane Agnes, which literally will cause them to go out of business if this relief is not immediately available. Therefore, I ask that the Senate approve this legislation.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An Act to amend the Internal Revenue Code of 1954 with regard to the exempt status of veterans' organizations, and for other purposes."

REMOVAL OF INJUNCTION OF SECRECY FROM CONVENTION BETWEEN UNITED STATES AND JAPAN ON PROTECTION OF MIGRATORY BIRDS (EXECUTIVE R, 92D CONG. SECOND SESS.)

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention between the Government of the United States of America and the Government of Japan for the Protection of Migratory Birds and Birds in Danger of Extinction, and their Environment, signed at Tokyo on March 4, 1972 (Executive R, 92d Congress, 2d session), which was transmitted to the Senate today by the President of the United States, and that the convention with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Convention Between the Government of the United States of America and the Government of Japan for the Protection of Migratory Birds and Birds in Danger of Extinction, and their Environment, signed at Tokyo on March 4, 1972, I transmit also, for the information of the Senate, the report from the Department of State regarding the Convention.

This Convention, which marks the culmination of several years of intensive study and consultations between experts of both countries, is designed to provide for the protection of species of birds which are common to both countries or which migrate between them. Recognizing the importance of the preservation of the environment of birds and recognizing that island environments are particularly susceptible to disturbance, the Convention provides that each country will develop programs to preserve and enhance the environment of the birds which are protected under the Convention.

I believe that the Convention establishes an effective basis for cooperation in taking measures for the management and protection of the birds included under the Convention.

I recommend that the Senate give early and favorable consideration to the Convention and give its advice and consent to ratification.

RICHARD NIXON.

THE WHITE HOUSE, *August 18, 1972.*

PENDING BUSINESS (H.R. 14370) TEMPORARILY LAID ASIDE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business (H.R. 14370) be temporarily laid aside.

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1024, and the remainder of the calendar in sequence, except for Calendar No. 1027.

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

SEAL BEACH NATIONAL WILDLIFE REFUGE

The bill (H.R. 10310) to establish the Seal Beach National Wildlife Refuge was considered, ordered to a third reading, read the third time, and passed.

ADMINISTRATIVE CONFERENCE ACT

The bill (S. 3671) to amend the Administrative Conference Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 575 of title 5, United States Code, is amended—

(a) by amending paragraph (10) of subsection (c) to read as follows:

"(10) organize and direct studies ordered by the Assembly or the Council, to contract for the performance of such studies with any public or private persons, firm, association, corporation, or institution under title III of the Federal Property and Administrative Services Act of 1949, as amended (41 U.S.C. 251–260), and to use from time to time, as appropriate, experts and consultants who may be employed in accordance with section 3109 of this title at rates not in excess of the maximum rate of pay for grade GS–18 as provided in section 5332 of this title;";

(b) by redesignating paragraphs (11) and (12) of subsection (c) as paragraphs (14) and (15) respectively and by adding the following new paragraphs:

"(11) utilize, with their consent, the services and facilities of Federal agencies and of State and private agencies and instrumentalities with or without reimbursement;

"(12) accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, for the purpose of aiding and facilitating the work of the Conference. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the Chairman. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States;

"(13) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));".

SEC. 2. Section 576 of title 5, United States Code, is amended to read as follows:

"§ 576. Appropriations

"There are authorized to be appropriated sums necessary to carry out the purposes of this subchapter.".

DR. DAVID G. SIMONS, LIEUTENANT COLONEL, U.S. AIR FORCE, RETIRED

The bill (H.R. 3413) for the relief of Dr. David G. Simons, lieutenant colonel, U.S. Air Force, retired, was considered, ordered to a third reading, read the third time, and passed.

SETTLEMENT OF CERTAIN ADMIRALTY CLAIMS

The bill (H.R. 8549) to amend title 10, United States Code, to broaden the authority of the Secretaries of the military departments to settle certain admiralty claims administratively, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

WHITE HOUSE CONFERENCE ON THE HANDICAPPED

The Senate proceeded to consider the joint resolution (S.J. Res. 202) to express the sense of Congress that a White House Conference on the Handicapped be called by the President of the United States which had been reported from the Committee on Labor and Public Welfare with amendments on page 5, line 16, after the word "such", insert "handicapped persons"; and, at the beginning of line 23, insert "In carrying out his functions under this joint resolution, the Secretary shall employ handicapped persons."

The amendments were agreed to.

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

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Whereas this Nation has achieved great and satisfying success in making possible a better quality of life for a large and increasing percentage of our population; and

Whereas the great benefits and fundamental rights of our society are often denied those who are mentally and physically handicapped; and

Whereas there are seven million handicapped children and countless numbers of handicapped adults; and

Whereas equality of opportunity, equal access to all aspects of society and equal rights of the handicapped is of critical importance to this Nation; and

Whereas the primary responsibility for meeting the challenge and problems of the handicapped has been that of the States and communities; and

Whereas all levels of government must necessarily share responsibility for developing opportunities for the handicapped; and it is therefore the policy of the Congress that the Federal Government shall work jointly with the States and their citizens, to develop recommendations and plans for action, consistent with the objectives of this resolution, which will serve the purposes of—

(1) providing educational, health, and diagnostic services for all children early in life so that handicapped conditions may be discovered and treated early;

(2) assuring that every handicapped person receives appropriately designed benefits of our educational system;

(3) assuring that the handicapped have available to them all special services and

assistance they need to live a full and productive life;

(4) enabling handicapped persons to have equal and adequate access to all forms of communication and transportation services and devices, especially in time of emergency;

(5) examining changes that technological innovation will make in the problems facing the handicapped;

(6) assuring handicapped persons equal opportunity with others to engage in gainful employment;

(7) enabling handicapped persons to have incomes sufficient for health and for participation in family and community life as self-respecting citizens;

(8) increasing research relating to all aspects of handicapping conditions;

(9) assuring close attention and evaluation to all aspects of diagnosis, evaluation, and classification of handicapped persons;

(10) assuring review and evaluation of all Federal programs in the area of the handicapped, and a close examination of the Federal role in order to plan for the future;

(11) promoting other related matters for the handicapped; and

Whereas, it is essential that recommendations be made to assure that all handicapped persons are able to live their lives in a manner as independent and self-reliant as possible, and that the complete integration of all the handicapped into normal community living, working, and service patterns be held as the final objective: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized and requested to call a White House Conference on the Handicapped within two years of the date of enactment of this joint resolution in order to develop recommendations for further research and action in the field of the handicapped, and to further the policies set forth in the preamble of this joint resolution. Such conference shall be planned and conducted under the direction of the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") with the cooperation and assistance of such other Federal departments and agencies, including the assignment of personnel, as may be appropriate.

(b) For the purpose of arriving at facts and recommendations concerning the utilization of skills, experience, and energies and the improvement of the conditions of the handicapped, the conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in the fields of the handicapped, and of the general public, including handicapped persons and parents of handicapped persons.

(c) A final report of the White House Conference on the Handicapped shall be submitted to the President not later than one hundred and twenty days following the date on which the conference is called and the findings and recommendations included therein shall be immediately made available to the public. The Secretary shall, within ninety days after the submission of such final report, transmit to the President and the Congress his recommendations for the administrative action and the legislation necessary to implement the recommendations contained in such report.

SEC. 2. In administering this joint resolution, the Secretary shall—

(a) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate;

(b) render all reasonable assistance, including financial assistance, to the States in enabling them to organize and conduct conferences on the handicapped prior to the White House Conference on the Handicapped;

(c) prepare and make available background material for the use of delegates to the White House Conference on the Handicapped as he may deem necessary;

(d) prepare and distribute interim reports of the White House Conference on the Handicapped as may be exigent; and

(e) engage such handicapped persons and additional personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates.

In carrying out his functions under this joint resolution, the Secretary shall employ handicapped persons.

SEC. 3. For the purpose of this joint resolution the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

SEC. 4. (a) The Secretary is authorized and directed to establish an Advisory Committee to the White House Conference on the Handicapped composed of twenty-eight members of whom not less than ten shall be handicapped or parents of handicapped persons.

(b)(1) Any members of the Advisory Committee who is otherwise employed by the Federal Government shall serve without compensation in addition to that received in his regular employment, but shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of his duties.

(2) Members of the Advisory Committee, other than those referred to in paragraph (1), shall receive compensation at rates not to exceed $75 per day, for each day they are engaged in the performance of their duties as members of the Advisory Committee including traveltime and, while so engaged away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(c) Such Advisory Committee shall cease to exist ninety days after the submission of the final report required by section (1)(c).

SEC. 5. There is authorized to be appropriated to carry out this joint resolution $2,000,000.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I am looking for the distinguished Senator from Alabama (Mr. ALLEN) because it is my intention to call up the adjournment resolution at this time.

Mr. HUMPHREY. Mr. President, will the Senator withhold?

Mr. MANSFIELD. We are not going out now, which I understand is privileged and not debatable. What it does is to call for an adjournment from the conclusion of business today until 10 o'clock Tuesday morning, September 5.

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

Mr. MANSFIELD. I have not yielded the floor, and I call up the resolution.

Mr. ALLEN. Very well, I suggest the absence of a quorum.

The PRESIDING OFFICER. The call for the quorum takes precedence.

The assistant legislative clerk proceeded to read the resolution.

Mr. MANSFIELD. I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ALLEN. I withdraw my request.

The PRESIDING OFFICER. The call for the quorum is withdrawn.

The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President——

Mr. WILLIAMS. Mr. President, will the Senator yield so that I may get a couple of staff people on the floor? Mr. President, I ask unanimous consent that two members of the staff of the Committee on Labor and Public Welfare, Stephen Wexler and Mik Edes, be permitted on the floor.

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

ORDER OF BUSINESS

Mr. ALLEN. Mr. President, having obtained the floor, I ask unanimous consent that I may yield the floor for the purpose of receiving at least two messages from the House, one dealing with the student loan and the other dealing with the antibusing legislation, and that after those messages have been acted upon by the Senate I be allowed to obtain the floor again.

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

The Senate will receive a message from the House.

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, without amendment, the joint resolution (S.J. Res. 182) authorizing the President to invite the States of the Union and foreign nations to participate in Farmfest—U.S.A. and the World Ploughing Contest in September 1972.

The message also announced that the House had passed the joint resolution (S.J. Res. 260) to delay the effectiveness of certain amendments to the interest subsidy provisions of the guaranteed student loan program in the case of certain students, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a bill (H.R. 13915) to further the achievement of equal educational opportunities, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

S. 2166. An act to authorize the establishment of the Grant-Kohrs National Historic Site in the State of Montana, and for other purposes;

S. 3159. An act to authorize the Secretary of the Interior to establish the John D. Rockefeller, Junior, Memorial Parkway, and for other purposes;

H.R. 12931. An act to provide for improv-

ing the economy and living conditions in rural America; and

H.J. Res. 1278. Joint resolution making further continuing appropriations for the fiscal year 1973, and for other purposes.

Mr. ALLEN. Now, Mr. President——

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. On the last legislative day unanimous consent was given to the junior Senator from Alabama that when the House message with respect to this bill——

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

Mr. ALLEN. Yes, sir.

Mr. MANSFIELD. The Senator may recall a conversation which I had and in which I thought we agreed that Senate Joint Resolution 260, having to do with student loans could be called up at this time.

Mr. ALLEN. I have no objection. I understood the other one was ready.

Mr. MANSFIELD. I understand the other matter was with it.

Mr. ALLEN. Are both of them here?

The PRESIDING OFFICER. Is the request that they be laid before the Senate?

Mr. MANSFIELD. Yes, the Senate joint resolution.

Mr. ALLEN. Are both measures here?

The PRESIDING OFFICER. Both measures are here.

Mr. ALLEN. Does the Senator request that the student loan message come up first?

Mr. MANSFIELD. Yes.

Mr. ALLEN. To be followed immediately by the message with respect to H.R. 13915?

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. ALLEN. I yield, but not on my time for that purpose for which I was to be recognized.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the first matter is disposed of the Senator from Alabama (Mr. ALLEN) be recognized.

Mr. ALLEN. For the full 10 minutes allotted to me.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

INTEREST SUBSIDY PROVISIONS OF THE GUARANTEED STUDENT LOAN PROGRAM

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 260) to delay the effectiveness of certain amendments to the interest subsidy provisions of the guaranteed student loan program in the case of certain students, which were to strike out all after the resolving clause, and insert:

That the effectiveness of the amendments made by sections 132A, 132B, 132C, 132D, 132E, and 132F of the Education Amendments of 1972 is hereby suspended for the period beginning with the date of enactment of this joint resolution and ending March 1, 1973, and the provisions of part B of title IV of the Higher Education Act of 1965, as in effect immediately prior to the enactment of such amendments, shall be effective during such period, except that (1) nothing in this joint resolution shall be deemed to affect the validity of any action taken or obligation undertaken under such part prior to the enactment of this joint resolution, and (2) section 438(b) of the Higher Education Act of 1965 shall continue to be in effect during such period. Section 431(b) of the General Education Provisions Act and section 495 of the Higher Education Act of 1965 shall not be applicable in the case of administrative action taken to effectuate this joint resolution.

And amend the title so as to read: "Joint resolution to suspend until March 1, 1973, the effectiveness of certain amendments made by the Education Amendments of 1972 to the guaranteed student loan program."

Mr. WILLIAMS. Mr. President, this action originated here. The Senate passed legislation to deal with a crisis in the granting of loans to students for the college semester about to begin. There was confusion, and out of the administrative confusion loans were not being processed to conclusion.

I shall not delay the Senate with a description of why there was this administrative confusion. It did exist. The Senate passed a joint resolution to deal with it and let the finance office get on with the business of seeing through the completion of student loans. The House acted differently, and the Senate resolution, as amended, by the House, is before us.

I should like to read a brief statement that indicates the view of the Senator from Rhode Island (Mr. PELL), the chairman of the subcommittee that handles this legislation for the Senate.

On this matter, I have spoken to Senator PELL, who informed me that during House debate on Senate Joint Resolution 260, he was advised that the nature of the House amendment would, in effect, threaten the new provisions of the education amendments of 1972 pertaining to student assistance programs. At that point, he let it be known that if the House amendment did, in fact, have such an effect, he intended to object to immediate Senate action.

The Senator has now been informed of the text of the House-amended Senate Joint Resolution 260. The amendment added on the House floor does not threaten the new student aid provisions. Therefore, the Senator from Rhode Island does not object to immediate Senate action.

I am in agreement with the Senator from Rhode Island. I believe that the essentials of the Senate-passed measure that is now law have been preserved in this temporary suspension of the title of the program.

I yield to the Senator from Colorado to see if that is clear.

Mr. DOMINICK. Mr. President, I thank my colleague from New Jersey. We have been over this matter very carefully. What it does is suspend the new law insofar as guaranteed loans are concerned and go back to the old law that both students and financial officers understand. This suspension will go only until the first of March, so that we can have hearings to see what needs to be done either in change of regulations or change of the new law, in order to make it easier to process student loans.

This also has what we generally call a grandfather clause. It provides that those who have already taken action or gotten a commitment under the new law will be preserved in their rights. So we have not jeopardized anybody's rights, but we have made it far easier, in the intervening time between now and March, to get loans, which many of them desperately need. It is my sincere hope that we will pass it rapidly.

I have authority to say that the Senator from New York (Mr. JAVITS) agrees with this position. Everybody I have contacted feels this is the way to proceed.

Mr. WILLIAMS. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The motion is agreed to.

Mr. DOMINICK. Mr. President, a procedural question. I did not hear the announcement of the Chair. Did he say the joint resolution had passed?

The PRESIDING OFFICER. The announcement that the amendments were concurred in clears the bill.

EQUAL EDUCATIONAL OPPORTUNITIES ACT OF 1972

The PRESIDING OFFICER. The clerk will read the next bill by title.

The assistant legislative clerk read as follows:

H.R. 13915, a bill to further the achievement of equal educational opportunities.

Mr. ALLEN. Mr. President, I call for the first reading of that bill.

The PRESIDING OFFICER. That was the first reading of the bill by the clerk.

Mr. ALLEN. Very well. It was the understanding of the junior Senator from Alabama that there are Senators who object to the bill's getting its second reading at this time, so, in order to accommodate their wishes, without any prejudice whatsoever to the bill except to delay it 1 day, even if such request were granted, I now object, Mr. President, to further proceedings today under this bill.

The PRESIDING OFFICER. Does the Senator from Alabama object to the second reading of the bill?

Mr. ALLEN. I object to further proceedings in order to accede to the request of some Senators who do not wish the bill to get a second reading. Then I would like to get my time.

The PRESIDING OFFICER. Without objection, second reading will go over until the next legislative day.

Mr. ALLEN. I yield myself 5 minutes.

Mr. President, after midnight last night, the House passed H.R. 13915, a most important piece of legislation. I ask unanimous consent that a copy of that bill be printed in the RECORD at this point, together with an article entitled "Ban on Busing Up to Senate, written by Ron Sarro and published in today's Washington Star.

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

H.R. 13915

An act to further the achievement of equal educational opportunities

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 "Equal Educational Opportunities Act of 1972".

POLICY AND PURPOSE

SEC. 2. (a) The Congress declares it to be the policy of the United States that—

(1) all children enrolled in public schools are entitled to equal educational opportunity without regard to race, color, sex, or national origin; and

(2) the neighborhood is the appropriate basis for determining public school assignments.

(b) In order to carry out this policy, it is the purpose of this Act to authorize concentration of resources under the Emergency School Aid Act on educationally deprived students and to specify appropriate remedies for the orderly removal of the vestiges of the dual school system.

SEC. 3. (a) The Congress finds that—

(1) the maintenance of dual school systems in which students are assigned to schools solely on the basis of race, color, sex, or national origin, denies to those students the equal protection of the laws guaranteed by the fourteenth amendment;

(2) for the purpose of abolishing dual school systems and eliminating the vestiges thereof, many local educational agencies have been required to reorganize their school systems, to reassign students, and to engage in the extensive transportation of students;

(3) the implementation of desegregation plans that require extensive student transportation has, in many cases, required local educational agencies to expend large amount of funds, thereby depleting their financial resources available for the maintenance or improvement of the quality of educational facilities and instruction provided;

(4) transportation of students which creates serious risks to their health and safety, disrupts the educational process carried out with respect to such students, and impinges significantly on their educational opportunity, is excessive;

(5) the risks and harms created by excessive transportation are particularly great for children enrolled in the first six grades; and

(6) the guidelines provided by the courts for fashioning remedies to dismantle dual school systems have been, as the Supreme Court of the United States has said, "incomplete and imperfect," and have not established, a clear, rational, and uniform standard for determining the extent to which a local educational agency is required to reassign and transport its students in order to eliminate the vestiges of a dual school system.

(b) For the foregoing reasons, it is necessary and proper that the Congress, pursuant to the powers granted to it by the Constitution of the United States, specify appropriate remedies for the elimination of the vestiges of dual school systems.

TITLE I—ASSISTANCE

AMENDMENTS TO THE EMERGENCY SCHOOL AID ACT TO PERMIT CONCENTRATION OF RESOURCES ON EDUCATIONALLY DEPRIVED STUDENTS ATTENDING SCHOOLS ENROLLING HIGH CONCENTRATIONS OF STUDENTS FROM LOW-INCOME FAMILIES

SEC. 101. (a) Section 702(b) of the Emergency School Aid Act is amended by striking out "and" at the end of clause (2), striking out the period at the end of clause (3) and inserting "; and" in lieu thereof, and adding at the end of such section the following new clause:

"(4) to aid educationally deprived students enrolled in schools enrolling a high proportion of students from low-income families (or transferring from such schools to schools enrolling a lower proportion of students from low-income families) in overcoming their educational deprivation."

(b) Section 706(a)(1) of such Act is amended by—

(1) inserting "(or, in the case of a local educational agency described by clause (E) of this paragraph, the appropriate State educational agency)" after "Assistant Secretary";

(2) striking out the period at the end of clause (D) and inserting "; or" in lieu thereof, and

(3) adding at the end of such section the following:

"(E) which has adopted and is implementing, or will, if assistance is made available to it under this title, adopt and implement a plan (either as a part of any plan described in clause (A), (B), (C), or (D) of this paragraph or otherwise) to concentrate (consistent with such criteria as the Assistant Secretary may prescribe) funds available to it under this title on the provision of basic instructional services and basic supportive services for educationally deprived students enrolled in schools of such agency enrolling a high proportion (as determined by the Assistant Secretary) of their students from low-income families and on the provision of such services for educationally deprived students who, pursuant to such plan, transfer from such schools to other schools in which a lower proportion of the students enrolled are from low-income families."

(c) Section 706(c) of such Act is amended by—

(1) inserting "(or, in the case of a local educational agency described by clause (E) of subsection (a), the appropriate State educational agency)"; and

(2) inserting "prescribed by the Assistant Secretary" after "regulations".

(d) Section 710(a) of such Act is amended by inserting "(or, in the case of a local educational agency described by section 706(a)(1)(E), the appropriate State educational agency)" after "Assistant Secretary" each time it occurs in so much of such section as precedes clause (1).

(e) Section 710(b) of such Act is amended by inserting "(or, in the case of a local educational agency described by section 706(a)(1)(E), the appropriate State educational agency)" after "Assistant Secretary".

(f) (1) Section 710(c) of such Act is amended by—

(A) inserting "(or, in the case of a local educational agency described by section 706(a)(1)(E), the appropriate State educational agency)" after "Assistant Secretary",

(B) striking out "and" at the end of clause (1)(C),

(C) striking out the semicolon at the end of clause (1)(D) and inserting in lieu thereof ", and", and

(D) adding at the end of clause (1) of such section the following:

"(E) the extent to which educationally deprived students are enrolled in schools of a local educational agency enrolling a high proportion (as determined by the Assistant Secretary) of their students from low-income families;"

(2) Such section 710(c) is further amended by inserting before the semicolon at the end of clause (2) the following: ", or in the case of applications by local educational agencies implementing plans described in section 706(a)(1)(E), the degree to which the plan and the program or project are likely to meet the special educational needs of educationally deprived students enrolled in schools enrolling a high proportion (as determined by the Assistant Secretary) of their students from low-income families and of educationally deprived students who, pursuant to such plan, transfer to schools in which a lower proportion of the students enrolled are from low-income families".

(3) Such section is further amended by inserting before the semicolon at the end of clause (3) the following: ", or in the case of a plan described by section 706(a)(1)(E), constitutes a comprehensive approach to meeting the special educational needs of educationally deprived students enrolled in schools of a local educational agency enrolling a higher proportion (as determined by the Assistant Secretary) of their students from low-income families and of educationally deprived students who, pursuant to such plan, transfer to schools in which a lower proportion of the students enrolled are from low-income families".

(4) Such section is further amended by striking out "and" at the end of clause (5), striking out the period at the end of clause (6) and inserting "; and" in lieu thereof and adding at the end thereof the following:

"(7) such criteria as the Assistant Secretary may prescribe for the purpose of assuring that funds made available under this title to a local educational agency implementing a plan described by section 706(a)(1)(E) will, to the extent determined by the Assistant Secretary after consultation with the appropriate State educational agency, be used by such local educational agency for carrying out programs or projects for the provision of basic instructional services and basic supportive services for educationally deprived students enrolled in the schools of such agency enrolling a high proportion (as determined by the Assistant Secretary) of their students from low-income families and for educationally deprived students who, pursuant to such plan, transfer to schools in which a lower proportion of the students enrolled are from low-income families.

Criteria prescribed by the Assistant Secretary pursuant to clause (7) of the preceding sentence shall be designed to insure that—

"(1) in the approval by State educational agencies of applications for funds under this title from local educational agencies to assist them in implementing plans described in section 706(a)(1), priority will be given to those local educational agencies which are implementing, or will implement, if assistance is made available to them under this title, a plan described in clause (A), (B), (C), or (D) of such section and a plan described in clause (E) of such section.

"(2) the amount of funds available under this title to a local educational agency implementing a plan described by section 706(a)(1)(E) for the provision of basic instructional services and basic supportive services for educationally deprived students enrolled in the schools of such agency enrolling a high proportion (as determined by the Assistant Secretary) of their students from low-income families will be adequate to meet the needs of such students for such services, and

"(3) there will be adequate provision for meeting the needs of such students who transfer from schools in which a high proportion (as determined by the Assistant Secretary) of the number of students enrolled are from low-income families to schools in which a lower proportion of the number of students enrolled are from such families,

except that nothing in this title shall be construed to authorize the provision of assistance under this title in such a manner as to encourage or reward the transfer of a student from a school in which students of his race are in a minority to a school in which students of his race are in the majority or the transfer of a student which would increase the degree of racial or economic isolation in the schools of any local educational agency."

(g) Section 710(d)(2) of such Act is amended by inserting "(or, in the case of an application by a local educational agency described by section 706(a)(1)(E), the ap-

propriate State educational agency)" after "Assistant Secretary".

(h) Section 710(e) of such Act is amended by inserting "(or, in the case of applications by local educational agencies described by section 706(a)(1)(E), the appropriate State educational agency)" after "Assistant Secretary".

(i) Section 720 of such Act is amended by inserting at the end thereof the following:

"(16) The term 'basic instructional services' means instructional services in the field of mathematics or language skills which meet such standards as the Assistant Secretary may prescribe.

"(17) The term 'basic supportive services' means noninstructional services, including health or nutritional services, as prescribed by the Assistant Secretary.

"(18) The term 'low-income families' means families having an annual income of less than the low-income factor.

"(19) The term 'low-income factor' means the low-income factor as defined by section 103(c) of the Elementary and Secondary Education Act of 1965."

(j) Such Act is further amended by inserting at the ending thereof the following new sections:

"TITLE I OF THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 NOT AFFECTED

"SEC. 721. Nothing in this title shall be construed to alter the amount of a grant which any local educational agency is eligible to receive for a fiscal year under title I of the Elementary and Secondary Education Act of 1965 or otherwise modify any provision of such title.

"STATE PLANS

"SEC. 722. (a) Applications by local educational agencies for assistance in carrying out plans described by section 706(a)(1)(E) shall be submitted to the appropriate State educational agency for approval by such agency.

"(b)(1) A State may receive payments for any fiscal year for the purpose of assisting local educational agencies to carry out plans described by section 706(a)(1)(E) if it submits to the Assistant Secretary, through its State educational agency, a State plan which—

"(A) recommends to the Assistant Secretary the amount of funds apportioned to such State under section 705 which shall be reserved within such State for applications under subsection (a);

"(B) sets forth criteria for establishing an order of priorities for the approval of applications of local educational agencies submitted under subsection (a) which such State educational agency determines will most effectively carry out the purposes of this title;

"(C) provides that such fiscal control and fund accounting procedures will be adopted as may be necessary, in the judgment of the Assistant Secretary, to assure proper disbursement of and accounting for Federal funds paid to the State (including such funds paid by the State to local educational agencies) under this section;

"(D) provides assurances satisfactory to the Assistant Secretary that such State educational agency will evaluate the effectiveness of assistance made available under this title for carrying out plans described by section 706(a)(1)(E) and make such periodic reports to the Assistant Secretary as he may determine to be reasonably necessary for him to perform his duties under this title.

"(2) The Assistant Secretary shall—

"(A) determine the amount of the funds apportioned to each State under section 705 which shall be reserved for applications under subsection (a),

"(B) approve a State plan which meets the requirements of this section, and

"(C) not determine the amount of such funds which are to be reserved for applications under subsection (a) or finally disapprove a State plan without first giving reasonable notice and opportunity for a hearing to the State educational agency.

"(3) The aggregate amount of funds reserved, from funds apportioned to States under section 705, by the Assistant Secretary for making payments to States under subsection (d) shall be $500,000,000 for each fiscal year.

"(c)(1) If any State is dissatisfied with the Assistant Secretary's final action with respect to the approval of its plan submitted under this section, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Assistant Secretary. The Assistant Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"(2) The findings of fact by the Assistant Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Assistant Secretary to take further evidence, shall be conclusive; but the court, thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Assistant Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(d)(1) The Assistant Secretary shall make payments to any State educational agency which has a State plan approved under this section for carrying out its State plan (including the cost of administration of such plan, but not to exceed 5 per centum of the amount reserved for such State for any fiscal year pursuant to subsection (b)(2)(A)) and for making payments to local educational agencies.

"(2) For the purposes of this subsection and section 712, a State educational agency shall be deemed an applicant for assistance."

TITLE II—UNLAWFUL PRACTICES

DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY PROHIBITED

SEC. 201. No State shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by—

(a) the deliberate segregation by an educational agency of students on the basis of race, color, or national origin among or within schools;

(b) the failure of an educational agency which has formerly practiced such deliberate segregation to take affirmative steps, consistent with title IV of this Act, to remove the vestiges of a dual school system;

(c) the assignment by an educational agency of a student to a school, other than the one closest to his or her place of residence within the school district in which he or she resides, if the assignment results in a greater degree of segregation of students on the basis of race, color, sex, or national origin among the schools of such agency than would result if such student were assigned to the school closest to his or her place of residence within the school district of such agency providing the appropriate grade level and type of education for such student;

(d) discrimination by an educational agency on the basis of race, color, or national origin in the employment, employment conditions, or assignment to schools of its faculty or staff, except to fulfill the purposes of subsection (f) below;

(e) the transfer by an educational agency, whether voluntary or otherwise, of a student from one school to another if the purpose and effect of such transfer is to increase segregation of students on the basis of race, color, or national origin among the schools of such agency; or

(f) the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instructional programs.

BALANCE NOT REQUIRED

SEC. 202. The failure of an educational agency to attain a balance, on the basis of race, color, sex, or national origin, of students among its schools shall not constitute a denial of equal educational opportunity, or equal protection of the laws.

ASSIGNMENT OF NEIGHBORHOOD BASIS NOT A DENIAL OF EQUAL EDUCATIONAL OPPORTUNITY

SEC. 203. Subject to the other provisions of this title, the assignment by an educational agency of a student to the school nearest his place of residence which provides the appropriate grade level and type of education for such student is not a denial of equal educational opportunity or of equal protection of the laws unless such assignment is for the purpose of segregating students on the basis of race, color, sex, or national origin, or the school to which such student is assigned was located on its site for the purpose of segregating students on such basis.

TITLE III—ENFORCEMENT

CIVIL ACTIONS

SEC. 301. An individual denied an equal educational opportunity, as defined by this Act, may institute a civil action in an appropriate district court of the United States against such parties, and for such relief, as may be appropriate. The Attorney General of the United States (hereinafter in this Act referred to as the "Attorney General"), for or in the name of the United States, may also institute such a civil action on behalf of such an individual.

SEC. 302. When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which result in school population changes in any school within such a desegregated school system, such school population changes so occurring shall not, per se, constitute a cause for civil action for a new plan of desegregation or for modification of the court approved plan.

JURISDICTION OF DISTRICT COURTS

SEC. 303. The appropriate district court of the United States shall have and exercise jurisdiction of proceedings instituted under section 301.

INTERVENTION BY ATTORNEY GENERAL

SEC. 304. Whenever a civil action is instituted under section 301 by an individual, the Attorney General may intervene in such action upon timely application.

SUITS BY THE ATTORNEY GENERAL

SEC. 305. The Attorney General shall not institute a civil action under section 301 before he—

(a) gives to the appropriate educational agency notice of the condition or conditions which, in his judgment, constitute a violation of title II of this Act; and

(b) certifies to the appropriate district court of the United States that he is satisfied that such educational agency has not, within a reasonable time after such notice, undertaken appropriate remedial action.

ATTORNEYS' FEES

SEC. 306. In any civil action instituted under this Act, the court, in its discretion, may allow the prevailing party, other than the United States, a reasonable attorneys' fee as part of the costs, and the United States shall be liable for costs to the same extent as a private person.

TITLE IV—REMEDIES

FORMULATING REMEDIES; APPLICABILITY

SEC. 401. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, a court, department, or agency of the United States shall seek or impose only such remedies as are essential to correct particular denials of equal educational opportunity or equal protection of the laws.

SEC. 402. In formulating a remedy for a denial of equal educational opportunity or a denial of the equal protection of the laws, which may involve directly or indirectly the transportation of students, a court, department, or agency of the United States shall consider and make specific findings on the efficacy in correcting such denial of the following remedies and shall require implementation of the first of the remedies set out below, or on the first combination thereof which would remedy such denial:

(a) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account school capacities and natural physical barriers;

(b) assigning students to the schools closest to their places of residence which provide the appropriate grade level and type of education for such students, taking into account only school capacities;

(c) permitting students to transfer from a school in which a majority of the students are of their race, color, or national origin to a school in which a minority of the students are of their race, color, or national origin;

(d) the creation or revision of attendance zones or grade structures without requiring transportation beyond that described in section 403;

(e) the construction of new schools or the closing of inferior schools;

(f) the construction or establishment of magnet schools; or

(g) the development and implementation of any other plan which is educationally sound and administratively feasible, subject to the provisions of sections 403 and 404 of this Act.

TRANSPORTATION OF STUDENTS

SEC. 403. (a) No court, department, or agency of the United States shall, pursuant to section 402, order the implementation of a plan that would require the transportation of any student to a school other than the school closest or next closest to his place of residence which provides the appropriate grade level and type of education for such student.

(b) No court, department, or agency of the United States shall require directly or indirectly the transportation of any student if such transportation poses a risk to the health of such student or constitutes a significant impingement on the educational process with respect to such student.

(c) When a court of competent jurisdiction determines that a school system is desegregated, or that it meets the constitutional requirements, or that it is a unitary system, or that it has no vestiges of a dual system, and thereafter residential shifts in population occur which results in school population changes in any school within such a desegregated school system, no educational agency because of such shifts shall be required by any court, department, or agency of the United States to formulate, or implement any new desegregation plan, or modify or implement any modification of the court approved desegregation plan, which would require transportation of students to compensate wholly or in part for such shifts in school population so occurring.

DISTRICT LINES

SEC. 404. In the formulation of remedies under section 401 or 402 of this Act, the lines drawn by a State, subdividing its territory into separate school districts, shall not be ignored or altered except where it is established that the lines were drawn for the purpose, and had the effect, of segregating children among public schools on the basis of race, color, sex, or national origin.

VOLUNTARY ADOPTION OF REMEDIES

SEC. 405. Nothing in this Act prohibits an educational agency from proposing, adopting, requiring, or implementing any plan of desegregation, otherwise lawful, that is at variance with the standards set out in this title, nor shall any court, department, or agency of the United States be prohibited from approving implementation of a plan which goes beyond what can be required under this title, if such plan is voluntarily proposed by the appropriate educational agency.

REOPENING PROCEEDINGS

SEC. 406. On the application of an educational agency, court orders, or desegregation plans under title VI of the Civil Rights Act of 1964 in effect on the date of enactment of this Act and intended to end segregation of students on the basis of race, color, or national origin, shall be reopened and modified to comply with the provisions of this Act. The Attorney General shall assist such educational agency in such reopening proceedings and modifications.

LIMITATION ON ORDERS

SEC. 407. Any court order requiring, directly or indirectly, the transportation of students for the purpose of remedying a denial of the equal protection of the laws shall, to the extent of such transportation, be terminated if the court finds the defendant educational agency is not effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto. No additional order requiring such educational agency to transport students for such purpose shall be entered unless such agency is found to be effectively excluding any person from any school because of race, color, or national origin, and this shall be so, whether or not the schools of such agency were in the past segregated de jure or de facto.

SEC. 408. Any court order requiring the desegregation of a school system shall be terminated, if the court finds the schools of the defendant educational agency are a unitary school system, one within which no person is to be effectively excluded from any school because of race, color, or national origin, and this shall be so, whether or not such school system was in the past segregated de jure or de facto. No additional order shall be entered against such agency for such purpose unless the schools of such agency are no longer a unitary school system.

TITLE V—DEFINITIONS

SEC. 501. For the purposes of this Act—

(a) The term "educational agency" means a local educational agency or a "State educational agency" as defined by section 801(k) of the Elementary and Secondary Education Act of 1965.

(b) The term "local educational agency" means a local educational agency as defined by section 801(f) of the Elementary and Secondary Education Act of 1965.

(c) The term "segregation" means the operation of a school system in which students are wholly or substantially separated among the schools of an educational agency on the basis of race, color, sex, or national origin or within a school on the basis of race, color, or national origin.

(d) The term "desegregation" means desegregation as defined by section 401(b) of the Civil Rights Act of 1964.

(e) An educational agency shall be deemed to transport a student if any part of the cost of such student's transportation is paid by such agency.

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. Section 709(a)(3) of the Emergency School Aid Act is hereby repealed.

SEPARABILITY OF PROVISIONS

SEC. 602. If any provision of this Act or of any amendment made by this Act, or the application of any such provision to any person or circumstance, is held invalid, the remainder of the provisions of this Act and of the amendments made by this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

TOUGH BILL CLEARS HOUSE—BAN ON BUSING UP TO SENATE

(By Ron Sarro)

Civil rights leaders are looking to the Senate to kill a strong anti-busing measure passed by the House early today which could lead to a rollback of many school desegregation orders now in effect.

The measure would prohibit new cross-town busing of children to achieve racial balance and would allow re-opening of long-settled desegregation cases to bring them in line with the bill's guidelines.

The bill would allow busing only as a last resort for providing equal educational opportunity, and even then would limit busing of any student to the school "closest or next closest to his place of residence."

Atty. Gen. Richard Kleindienst has said all school desegregation orders could be reconsidered—not just those involving busing.

STIFF OPPOSITION

Senate southerners, led by Sen. James Allen, D-Ala., are hoping to force the House measure onto the Senate floor by attaching it to other legislation. But civil rights forces expect stiff opposition in the Senate.

The bill will probably be watered down, as the Senate has never passed restrictive busing legislation, though each time it has considered the issue this year the vote has been close.

Senate sources say that one of the bill's political aims is finally to smoke out Sen. George McGovern on his position on the issue.

Final passage of the measure by a 282-102 vote came after 12 hours of debate punctuated with charges that its provisions are unconstitutional and accusations of racism and bigotry.

The bill went beyond President Nixon's call for limiting busing to the "next closest" school for elementary students.

Although the Nixon proposal was adopted earlier by the Education and Labor Committee, the House adopted, 178–88, a more limiting amendment offered by Rep. Edith Green, D-Ore.

REOPENINGS APPROVED

Mrs. Green and the southern bloc also won House approval, 242–142, of the Nixon-backed provision which would allow reopening of court orders and desegregation plans. Officials estimate about 100 school districts now being desegregated could use the provision to cut back busing. Most are in the South.

After the limit was adopted, the chief Republican sponsor of the committee bill, Rep. Albert Quie, R-Minn., said he felt the bill was now unconstitutional and would not vote for it. He tried to send it back to committee, but was defeated.

Mrs. Green scoffed at assertions the bill was unconstitutional.

"Waving the Constitution is the last refuge for those who have lost their case," she said.

SUPPORT BY LIBERALS

Several longtime northern liberals who usually support civil rights legislation backed the anti-busing measure.

Mr. ALLEN. Mr. President, for the RECORD, so that the RECORD will show the purpose of the request of the Senator from Alabama with respect to this bill, I make the following statement.

The bill has come over from the House of Representatives with a message. On the last legislative day, the Senator from Alabama obtained unanimous consent that, when the message came to the Senate, he would have the opportunity to make such objections and motions as he might care to make with respect to this bill. Had I not done so, the bill would have gone to a committee, and it is so late in the session that the bill, in all likelihood, would have been reposing in that committee when this Congress adjourned sine die.

So it was the plan of the junior Senator from Alabama—and I pay tribute to my distinguished senior colleague (Mr. SPARKMAN) and to the distinguished junior Senator from Michigan (Mr. GRIFFIN) for advising with me on the procedures to use in that connection. Ordinarily a bill is recited as having been read twice in the Senate and referred to a committee, although actually it does not necessarily get those readings. By calling for the first reading and then objecting to the second reading, the bill will remain at the desk and be taken up for its second reading on the next legislative day, which will be September 5. At that time it will receive its second reading, and then the junior Senator from Alabama will object to further proceedings, and it will go on the calendar, in that way avoiding gradual but certain death in the committee.

So this bill now will, on the 6th of September, be on the calendar for consideration by the Senate. This is a bill that is far reaching in its impact. It is commonly called the antibusing bill; and it means a great deal, Mr. President, to the schoolchildren, the parents of schoolchildren, and the school systems of our country. It is a part of the President's recommendation to Congress, though I believe it went far beyond the President's request; but it is legislation that we should enact in the Senate prior to our adjournment.

By going on the calendar on September 6, it will give the majority leader an opportunity to schedule the bill for action by the Senate.

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

Mr. ALLEN. I am glad to yield to my distinguished senior colleague.

Mr. SPARKMAN. I certainly have been happy to join with the junior Senator from my State in this move, and I agree with the statement that he has made.

Let me ask him this question: The Senator said that it went beyond the President's proposal. As a matter of fact, it is a decided improvement over the President's proposal, is it not?

Mr. ALLEN. Yes, it is a great improvement, and that is the meaning I meant to convey.

Mr. SPARKMAN. But as a matter of fact it may still need some amending?

Mr. ALLEN. That is correct.

Mr. SPARKMAN. To make its application uniform throughout the country?

Mr. ALLEN. Yes.

Mr. SPARKMAN. To make any one part of the country just like the others?

Mr. ALLEN. That is right. That is the objective I have been driving at. The people of the South will abide by any uniform rule with regard to the desegregation of our schools that the other sections of the country abide by.

Mr. SPARKMAN. And most of our districts are now operating under court orders that have already been entered?

Mr. ALLEN. That is correct. And while desegregation has now been pretty well accomplished in the South, many districts outside the South are more segregated today than they were 5 years ago. And they hope to continue that way, I might add.

Mr. President, this legislation, H.R. 13915, will be on the Calendar on September 6 for further consideration, and it is the hope and wish of the junior Senator from Alabama, and also the wish of his senior colleague (Mr. SPARKMAN), and of the Senator from Michigan (Mr. GRIFFIN), that the legislation embodied in this bill will be given a chance to be considered by the U.S. Senate.

During the recent political campaigns in connection with the primary elections all over the country, it was shown conclusively that the people of this country are opposed to forced busing of schoolchildren in order to create an artificial racial balance in our schools. This legislation would go farther toward eliminating forced busing than any other measure, I believe, that has come before the United States Senate. That is the reason, Mr. President, that it is so very, very important that it not go to a committee and meet a slow death there, but that it come out in the open, to give Senators an opportunity to take a stand on this legislation. I believe when the legislation is put to a vote of the Senate, it wil be enacted by a majority of the Senate.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. ALLEN. I am delighted to yield to the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. HARRY F. BYRD, JR. Mr. President, I commend the distinguished junior Senator from Alabama——

Mr. ALLEN. I might add before yielding, Mr. President, that I have been in consultation this very morning with the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) with respect to strategy wth regard to getting this bill on the calendar, and the advice he has given, with the benefit of the experience he has had in this body, has been most helpful to the junior Senator from Alabama, and I commend him. He is one of the pioneers in fighting forced busing, which I know is of great importance to the people of his State.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield——

Mr. ALLEN. Yes.

Mr. HARRY F. BYRD, JR. The distinguished junior Senator from Alabama (Mr. ALLEN) has, I feel, today rendered a great service to the people of this Nation and the schoolchildren of this Nation. I commend most highly his initiative, his alertness, his ability, and his knowledge of parliamentary law in standing on the Senate floor today and making sure, by his parliamentary motions, that this legislation does not go to a committee, but will, because of the action of the junior Senator from Alabama, come before the Senate for a vote.

This is a vitally important piece of legislation. It affects schoolchildren all over America. It affects their parents.

The PRESIDING OFFICER. The 10 minutes allotted to the Senator from Alabama have expired.

Mr. ALLEN. I ask unanimous consent that I may have 2 additional minutes.

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

Mr. HARRY F. BYRD, JR. The measure passed by the House last night, by a very significant vote, is one on which the Senate should have an opportunity to express itself. Were it not for the alertness of the distinguished Senator from Alabama, were it not for his knowledge of parliamentary law and the rules of the Senate, it is very possible that the Senate would not have an opportunity to vote on this important measure.

But because of what he did today in stopping this bill at the desk and making objections to the second reading of the bill, he has assured that this bill can be considered by the Senate. The bill can go on the calendar 2 days after the Senate returns from the Labor Day recess. The Senate subsequently will have an opportunity to express its views.

I commend highly the very distinguished and able Senator from Alabama.

Mr. ALLEN. I thank the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.).

Mr. President, I commend the Government Printing Office on the tremendous job they did in getting this bill ready for consideration by the Senate, ready to be sent over in the message. There was considerable talk that the bill might not get here during the day. The junior Senator from Alabama was prepared to talk here until midnight, to give it plenty of opportunity to get here, and he was going to be joined by several Senators.

I thank the personnel of the House, of the House Members, and the staff of the Clerk's office for setting to and seeing that this bill got over here today. The President may not realize it, but it is quite an accomplishment that this bill did reach the Senate.

I yield the floor.

CONCURRENT RESOLUTION (S. CON. RES. 94) PROVIDING FOR ADJOURNMENT OF THE SENATE UNTIL 10 A.M., TUESDAY, SEPTEMBER 5, 1972

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate pro-

ceed to the immediate consideration of the concurrent resolution which is at the desk.

The PRESIDING OFFICER (Mr. BENTSEN). Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 94) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Friday, August 18, 1972, it stand adjourned until 10:00 o'clock ante meridian on Tuesday, September 5, 1972.

EXECUTIVE SESSION

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations which were reported earlier today.

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

The ACTING PRESIDENT pro tempore. The nominations will be stated.

U.S. TAX COURT

The assistant legislative clerk read the nomination of Cynthia Holcomb Hall, of California, to be a judge of the U.S. Tax Court.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk read the nomination of James E. Smith, of Virginia, to be a Deputy Under Secretary of the Treasury.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

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

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

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

INNOCENT VICTIMS OF CRIME

Mr. MANSFIELD. Mr. President, I must say that the Senate on day before yesterday demonstrated its capacity to go two different ways at the same time.

For the innocent victim of flood disaster, the Senate voted over $1½ billion in relief. For the innocent victim of violent crime, the Senate lost an opportunity to provide expeditious relief in any shape or form when on Wednesday it reported out six crime bills but not the one which would give some relief and some consideration to the innocent victim of violent crime.

It is too bad that we pay so much attention to the rights of the criminals, alleged or otherwise—and that is the way it should be, under the Constitution—but so little attention to the raped, the mugged, and the disabled who are the innocent victims of violent crime.

It is tragic, indeed, that the Senate has been precluded from acting in behalf of the criminal victim promptly and efficiently. I understand that every Senator is entitled to employ any means at his disposal to delay and to obstruct legislation and that such a device was employed day before yesterday with regard to the crime-victim proposal now pending before the Committee on the Judiciary. That is a Senator's right. It is the right of any Senator. But it is unfortunate, indeed, that such a device is used at the expense of the innocent victim of crime; the victim of rape, of muggings—the secretary molested as she sits behind her desk right here in the Capitol, and the secretary raped on the Capitol grounds.

I cannot imagine that such delay tactics would occur when the Senate addresses other similar concerns. Relief for the innocent victim of flood disaster was provided promptly and efficiently—and deservedly so. Not so in the case of the innocent victims of crime. Their rights continue to go ignored by the Senate. We talk about the rights of the criminal, and I detect no lack of commitment when defending those rights. We talk about rights of individual privacy and lose no time in clearing legislation on that issue.

Indeed, it was just a few days ago that the Senate adopted the measure that seeks to protect the privacy rights of individuals employed in the executive agencies downtown. There was no effort to obstruct action on that proposal. No delay. Not so in the case of the rights of the innocent victim of crime. Concern for him and his rights has been postponed; and, frankly, I deplore these backdoor slowdown devices. I deplore them, yet I know they are within the rules.

Nor will I permit this setback to diminish my determination to see that the victim-of-crime proposal becomes law. I would urge the Committee on the Judiciary to hold another meeting on this measure at the earliest time possible in order to get this measure reported. The delay for the victim of violent crime has been long enough. If a Senator objects to defending the victim's rights, let him do so out in public, on the floor of the Senate, and let the Senate work its will.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Virginia yield to me for a unanimous-consent request?

Mr. HARRY F. BYRD, JR. I am happy to yield to the Senator from West Virginia for that purpose.

UNANIMOUS-CONSENT AGREEMENT ON VOTES ON FIVE BILLS ON SEPTEMBER 5, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, with reference to the five bills scheduled for votes on September 5, 1972, that, as each of the first four bills reaches third reading and all time thereon has expired or has been yielded back, the vote—which is to be a yea-and-nay vote on each of the bills—be delayed until the fifth bill, H.R. 9222, has advanced to third reading and all time thereon has expired or has been yielded back; at which time the five votes then occur, beginning with the vote on S. 2087, followed with the vote on S. 16, followed with the vote on H.R. 9323, followed by the vote on S. 2567, and then followed by the vote on H.R. 9222, the votes occurring back to back so that all votes will come at the same time and in the sequence ordered.

Mr. BENNETT. Mr. President, reserving the right to object, I should like to ask the distinguished assistant majority leader about what time in the afternoon he estimates the votes might come.

Mr. ROBERT C. BYRD. I really cannot estimate, except to say that the purpose of this request is to allow Senators—who are coming from the Far West, the Middle West, or the New England States, and so forth—time to get here before the first vote occurs; otherwise the first vote on the first bill, S. 2087, could occur perhaps at 11:30 a.m., or earlier if time were to be yielded back.

Mr. BENNETT. I agree with the objective of the proposal. I was wondering whether the Senator had a chance to look at the times allocated for debate on each bill and was able to arrive at some kind of estimate as to when the votes might occur.

Mr. ROBERT C. BYRD. If no amendments are offered to any of the bills, and I do not know of any controversy involved in connection with any one of them, I would assume that the first vote could occur circa 2 p.m., give or take a little.

Mr. BENNETT. I thank the distinguished Senator and I withdraw my objection.

The PRESIDING OFFICER (Mr. ALLEN). Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) for his usual patience and courtesy in yielding.

Mr. HARRY F. BYRD, JR. It is always a pleasure to cooperate with my splendid friend from West Virginia.

GOVERNMENT SPENDING

Mr. HARRY F. BYRD, JR. Mr. President, on June 28, 1972, the Honorable

George P. Shultz, Secretary of the Treasury, accompanied by Mr. Paul Volcker, Under Secretary of the Treasury, appeared before the Finance Committee. At the same time, the Honorable Caspar W. Weinberger, Director of the Office of Management and Budget, accompanied by S. M. Cohn, Assistant Director of the Office of Management and Budget, also appeared before the Finance Committee.

Mr. President, I put to these witnesses a number of questions in regard to the Nation's finances. The hearings of the meeting were printed and are available to the Senate.

At this point, however, I want to read into the record a few of the questions which I put to Mr. Weinberger in his capacity as Director of the Office of Management and Budget.

At one point I asked this question:

Mr. Weinberger, in your statement yesterday that Congress is going to force a huge tax increase by creating new programs without eliminating old ones, I certainly agree with that.

I predicted 18 months ago that whoever comes in here next January on behalf of whatever administration it might be, is going to ask this committee and the Congress for a substantial increase in taxes or new taxes, or both, and I think what you say here today bears out that view.

Now, Mr. President, at this point I ask unanimous consent to have printed in the RECORD Mr. Weinberger's reply which is printed on page 55 of the committee hearings, all the rest of that page plus page 56 down to the last paragraph.

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

Mr. WEINBERGER. Senator, it doesn't bear out that view if the President is reelected.

Senator BYRD. Well, the financial condition of the country is not going to—deficits are not going to change between now and January, regardless of who is reelected.

ow, if you assume that this country can spend itself rich, if you assume that the people can get something for nothing, if you assume that we can keep on spending more money, creating more deficits, and no one has to pay for them, then I guess you are right, but I don't proceed on that assumption.

Mr. WEINBERGER. If the deficits exceed the full-employment revenues on a regular basis, there is no question that they are highly inflationary and can't continue, but the simple fact is that the President thus far and his future plans insofar as I know them, are to conduct the national affairs in such a way that additional taxation will not be needed.

Senator BYRD. Let's get to your deficits right now. I hadn't intended to go into this.

In 4 years, you will have $113 billion in Federal funds deficit: $13 billion in 1970, $30 billion in 1971, $32 billion in 1972, and a minimum of $38 billion, by your own figures, in 1973.

I think those figures alone—and from what we have brought out here today, they are bound to be low—if you are not alarmed about $113 billion, $113 billion accumulated deficit in a 4-year period of time, then I don't know what you would be alarmed about.

I, for one, feel no obligation to support a tax increase. I voted against a bill last night after they loaded down this HEW bill; $6 billion more than we spent last year. I voted to reduce many other appropriations. I voted against that foolish tax reduction that was passed last December which added more to the deficit yet really helped no one, so I feel no obligation to support a tax increase. I will keep an open mind on it because I think you will be around here asking for it. I make the prediction that an increase in taxes or new types will be sought.

Mr. WEINBERGER. No, sir.

Senator BYRD. But, in my judgment, the No. 1 problem facing the United States today is the deplorable and tragic, in my judgment, financial situation of the Government, and we are not making any headway on it. As a matter of fact, we are going backward. Every year the deficit gets more.

And one final thing I must say. I am a minority, a minority in the Senate, a minority in Congress. Nor am I in agreement with the majority of those in the administration in regard to this matter. But I think it is a tragic thing that the people of the United States, the individual citizens, are the ones to be hurt the most by this fantastic Government spending which was stimulated last year by going to a Keynesian concept and by saying we want more deficits, we want an expansionist budget. You sure got it, and Congress is helping you do it. You are not doing it with my help but doing it with the help of the majority of Congress, and you are in tune with the majority of the Congress. They want to spend, and that is what they are doing, and that is what they are going to do.

I just think the people are going to suffer by this a great deal. It might even be likely it is not a very wise political thing to do to be advocating all this spending and all these programs. I don't know.

I admit that I am a very unorthodox politician, voting against tax reduction. That is very unorthodox. Everybody likes to vote for logical to me when you are running these smashing deficits to reduce the Government's revenue.

I asked you earlier about new programs that you would recommend deleting. I went through that with Secretary Shultz in the last meeting that we had here on—not the last meeting, but on February 15, 1972. One question I asked was this:

"Senator BYRD. Have you recommended or do you now recommend the elimination of any programs?"

"Mr. SHULTZ. We had quite a list, I believe, in some of our past budgets of programs that we thought should be eliminated or changed drastically to save substantial sums of money. These reductions have been distributed through the program categories. I don't happen to have the list. I don't think we have accumulated it in that fashion this year."

Then another question:

"Senator BYRD. What I want to get from you as Director of the Office of Management and Budget is what programs, in your judgment, can be eliminated. Are there 10, 15, one, zero?"

"Mr. SHULTZ. Well, we don't have an independent judgment. The President's judgment is reflected in his budget, and that is the judgment that we have before the Congress and before the Appropriations Committee."

Mr. HARRY F. BYRD, JR. Mr. President, to sum up that colloquy it was this, that I asked Mr. Weinberger what programs, if any, he would recommend be discontinued so that we might get the Government's financial house in better order.

In that colloquy I quoted a similar question which I put to Secretary Shultz when he held the position of Director of the Office of Management and Budget. The gist of Mr. Shultz' reply was that he could cite no program but that he would submit for the record certain suggestions.

When I received from him, which is a part of the committee report, his suggestions as to what reductions might be made in Government spending, and when I added up the figures, it showed he recommended a decrease of $454 million, of which some $215 million was in the sale of stockpile commodities.

The sale of a stockpile commodity is an asset, so there is no saving to the Government on the sale of an asset.

As a practical matter, what Mr. Shultz' recommendation amounted to was a suggested reduction of some $300 million out of a total budget of $211 billion.

Then I said:

I would like to ask you, sir, if you, Mr. Weinberger, the new Director of the Office of Management and Budget, if you would submit for the Record what programs you feel should be eliminated. I want to help you with it.

Mr. President, I ask unanimous consent to have printed in the RECORD Mr. Weinberger's reply beginning on page 59 of the committee report and continuing through page 60.

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

Mr. WEINBERGER. I understand that and I appreciate it, Senator. We will submit it in connection with the 1974 budget. I don't see any possibility for the 1973 budget.

Senator BYRD. But we are with the 1973 budget now.

Mr. WEINBERGER. I understand that, sir, but what we would submit would be recommendations of the President, and I think that the recommendations we would make would be recommendations that would be worked on in the course of the next few weeks that he would agree to, that he would wish to submit. Since the Congress is going to be out of session such as it is, the most appropriate time at this point seems to be in connection with the 1974 budget, but we may very well have some reductions that we would want to make in the 1973 total. In that event, they would be submitted as soon as they are ready.

Senator BYRD. I understood from your previous testimony that you already had recommendations——

Mr. WEINBERGER. No, sir. I meant to say that we were working on lists of proposed reductions and eliminations to present to the President for his action. As soon as those are ready and as soon as he wishes them presented, we would obviously present them, but we are working on the problem because we agree with you that this is a very necessary thing to be doing now.

Senator BYRD. But that does not deal with 1973.

Mr. WEINBERGER. Well, it might very well because the submission we make might have some application to the 1973 budget. Some of those are on their way through the Congress now.

Some of the President's feelings about them may be indicated by action that he takes in connection with the individual bills as they reach his desk.

I just don't want to promise you that I am going to deliver a list of recommended reductions tomorrow because I can't do that. It has to go through too many hands.

Senator BYRD. Well, I might say that I would hope to get such a list, but I must say that I wasn't 100-percent certain I would get such a list. I tried to get a list last time. I did get something, a list, which, as I say, adds up to $545 million out of a $211 billion budget.

Mr. WEINBERGER. We will hope to do better.

Senator BYRD. No one seems to want to eliminate any programs.

The only reason I brought it up, you mentioned in this interview published today—I am not defending the Congress. I condemned the Congress on the floor last night for what it is doing in these expenses.

As an independent, I am not going to get mixed up with a Republican administration on one hand and a Democratic Congress on the other, as to who plans to do the most spending and the most taxing. I think neither is exactly in tune with my way of doing things.

Mr. HARRY F. BYRD, JR. Mr. President, what this colloquy shows is that no one in a position of responsibility concerning the Government's finances is willing to recommend the elimination of any program of the Government.

What we are doing, Mr. President, is piling more and more spending programs on top of already heavy spending programs.

It is very discouraging when the top budget people in our Government come before the Finance Committee and, upon questioning, admit that the Government is in serious financial difficulty. Yet, when one asks them for suggestions and says that he wants to help reduce some of the spending programs, no one will make any suggestions or recommendations as to what programs can be reduced or eliminated. Instead, the whole endeavor is to add new programs.

I am persuaded to make these remarks today, Mr. President, because it was today that the distinguished chairman of the Finance Committee, the senior Senator from Louisiana (Mr. LONG), submitted to the Senate on behalf of the Finance Committee the so-called revenue-sharing legislation.

This is another program, a new spending program. It is in addition to all the other programs.

Mr. President, I have kept an open mind on the revenue sharing program. I had hoped to support it. It has been advocated by President Nixon. It has the support of virtually every Governor of the 50 States. It has the support of most of the mayors of the 39,000 communities.

So naturally I would like to be able to support such a plan.

However, what disturbs me about it, Mr. President, is that when we talk about revenue sharing, where is the revenue to share?

Where is there any revenue to share? No Member of the Senate has answered that question or attempted to answer that question because there is no revenue to share, only deficits. The $30 billion of so-called revenue sharing money will be added to the national debt.

For the current fiscal year the Federal funds deficit is estimated by the administration to be $38 billion. In my judgment it will be much more. However, let us take the administration's own figures of $38 billion. That is a huge, smashing deficit and when we add that to the deficit for the fiscal year which ended this past June and the fiscal year just prior to that, in those 3 fiscal years the total Federal funds deficit will equal or exceed $100 billion.

So, it is fine to say, "Let us share the revenue." However, the Federal Government has no revenue to share. It is deeply in debt.

The interest on the debt alone, just the interest charges, total $22.7 billion. Another way of stating that is that of every personal and corporate income tax dollar paid into the Federal Treasury, 17 cents goes to pay the interest on the national debt.

Mr. President, if the revenue sharing proposal were to take the place of other programs, then I would prefer the revenue sharing legislation over the other programs because it is a more flexible one. I think it will be of greater benefit to the localities and to the States than many of the categorical programs. However, it will not take the place of other programs. The proposal is to add this $6 billion a year, totaling $30 billion over the 5-year period which the bill provides for, on top of all the other programs.

Mr. President, I have deep anxiety about the Government's financial situation. I think it is the most pressing problem, the most important problem, the most serious problem of a domestic nature facing the U.S. Government today.

How we can go on and on piling on new spending programs, running up yet more and more deficit spending, I do not see. It is bound to end in either more and more taxes or new taxes or more inflation, which in itself is a hidden tax. Unless one believes that we can get something for nothing, that we can continually spend and no one has to pay for it, unless we believe that—which I do not believe—then the day of reckoning will most certainly come.

And when it comes, who is going to be hit the hardest?

It will be those in the middle-income group and those in the lower middle-income group. That is where the bulk of the money comes from to pay the taxes, from the people who work, from the wage earners, because taxes are paid from the sweat of those who labor.

I must say, frankly, I am not at all impressed with the way Congress and the administration handles the money of the people. I think we have a sacred obligation to handle tax funds as a sacred public trust. I do not find that being done around Washington, D.C. I find money being squandered in every direction, with more and more spending programs pyramiding on top of other programs.

So I find it necessary to file minority views in regard to the revenue-sharing proposal. I dislike differing with my colleagues on the Committee on Finance. I dislike being in the minority. But I just could not find it logical to start a new $30 billion program at a time when there is this huge deficit spending.

This is not the only time I have found myself in the minority. This past December I found it necessary to vote against the tax reduction bill. The administration and Congress working together reduced taxes by $10 billion at a time when we were running a deficit of $30 billion.

That did not seem very logical to me and especially it did not seem very logical when the average citizen was getting very little from the tax reduction. It took a vast amount of revenue away from the Government and further increased the deficit and further increased the inflation, without helping the individual citizen to any real degree.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the minority views that I filed to the Revenue Sharing Act of 1972, as incorporated in the report from the Committee on Finance.

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

IX. MINORITY VIEWS OF SENATOR HARRY F. BYRD, JR.

I have given a great deal of thought during the past several months to the Revenue Sharing Act. I have kept an open mind.

This proposal, H.R. 14370, has been endorsed by President Nixon and has the support of most, if not all, of the governors of the 50 states and most of the mayors throughout the nation.

Under its provisions, the federal government, over a five-year period, would distribute $30 billion in additional federal funds to the 50 states and to 39,000 units of local government. Distribution in the current fiscal year would total $8.1 billion. (This is separate and apart from the supplementary grants of $1 billion a year.)

This, of course, would be helpful to state and local governments. The governors and mayors have told the Congress that they need additional assistance over and above the vast sums which already are being returned to the states in a multitude of federal programs. The legislation assumes all states and localities have a fiscal crisis common in nature and magnitude with which they are equally unable to cope.

I realize it would be more popular to support than to oppose the Revenue Sharing Act.

But in considering this matter there are at least three issues of major concern. The first and foremost is this: Where is the revenue to share?

The federal funds deficit for fiscal year 1971 was $30 billion; for fiscal year 1972, the deficit was $29 billion; the administration estimates that the deficit for the current fiscal year will be at least $38 billion.

So in three fiscal years the federal funds deficit will near or exceed $100 billion.

This means that more than 20 percent of the total national debt will have been incurred during this three-year period.

Never before in any other three-year period in the history of the American Government have there been such deficits, except during World War II, when we were fighting in both Europe and the Pacific and when we had 12 million Americans under arms.

When 12 of the nation's governors testified before the Senate Finance Committee, I made this assertion: No state in the Union is in as bad shape financially as is the federal government. No governor disputed this statement.

The annual interest on the national debt is $22.7 billion.

Of every personal and corporate income tax dollar paid into the federal Treasury, 17 cents goes to pay the interest charges.

As I view it, the dominant domestic problem facing our nation is the desperately bad condition of our federal finances. As a result of increased deficit spending, the purchasing power of the American dollar has declined. Deficit spending by the federal government is the major cause of inflation, which is a hidden tax on the earnings of the working people.

What the Congress is considering in the revenue sharing legislation, is an additional program—over and above the present programs—with an average cost of approximately $6 billion per year for each of 5 years, beginning now. In addition, there is the $1 billion a year cost of the supplementary grant program.

The second issue of major concern is the division of public accountability. State and local governmental units would expend public funds which they have no responsibility for raising.

Under the House-passed legislation, 40 percent of the funds will be distributed to five states—New York, California, Illinois, Michigan and Pennsylvania.[1] These states have gone into expensive programs which they find difficult to maintain. Now they are seeking assistance from the federal government.

Is it wise to separate the responsibility for collecting taxes from the authority to spend revenues? The 50 states and the 39,000 localities dispensing tax funds will be relieved of the obligation to weigh carefully the benefits of increased public expenditures against the burdens imposed on their community through increased taxation.

The third area of major concern is that the House-passed legislation seeks to dictate to the states the tax structure each state should have. It also requires each local government, as a condition of receiving funds under the bill, to obtain approval from the Secretary of the Treasury as to its wage rates on construction financed in whole or in part by revenue sharing funds. Thus, from its inception, this new revenue sharing program incorporates dictation from the Congress to the states and to the localities, even though the Finance Committee has removed this provision from its bill.

Through the years, federal grants-in-aid and shared revenues to the various states have increased tremendously.

To give a dramatic example of just how far out of hand some of these federal programs have gotten, I cite the following:

A few years ago, legislation was enacted providing 75 percent Federal financing of "social services." The States have discovered that, by expanding or changing programs that they were already paying for themselves, they can collect from Washington 75 cents out of every dollar spent.

When this proposal was enacted, it was estimated by its sponsor and by H.E.W. that it would cost the Federal Government $40 million annually. It has soared to such an extent that the cost for the current fiscal year is now estimated to be $4.7 billion—more than 100 times the original estimate.

In the first year of this program, New York State received $57 million in matching grants. This year, New York is asking for $850 million in Federal matching grants for this one program.

The State of Mississippi, which 2 years ago applied for $1 million of Federal funds to finance "social services," this year is asking for $464 million—about the size of the state's entire budget last year.

If the revenue-sharing proposal now under consideration were being recommended as a replacement for other, less flexible programs, I would greatly prefer the flexibility of the new program.

But the legislation now under consideration is in addition to all the other programs.

The federal government obtains its funds from the same sources as do state and local governments, from working men and women. Costly federal programs must be paid for by more taxes, or by more inflation, or both.

I feel I cannot vote for costly new programs at a time of unreasonably high deficit spending.

Last November, I felt compelled to take another unpopular stand, namely in opposition to a tax reduction which lowered revenues at a time of large federal deficits.

Similarly, this year, I must vote against the revenue sharing proposal, which calls for a large increase in federal spending.

[1] Under the Finance Committee proposal 35 percent will go to the above 5 states.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CHILES). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

CONSUMER PROTECTION AGENCY

Mr. PERCY. Mr. President, I should like to comment very briefly on just two aspects of legislation with which we will be dealing. First, I would like to comment on the Consumer Protection Agency legislation, reported out of the Government Operations Committee. This would not have been possible without the complete cooperation of the members of that committee on both sides of the aisle, and both our former chairman, Senator JOHN MCCLELLAN, and the present new chairman, Senator SAM ERVIN. The committee has met over a period of months, in many, many long sessions.

There are sharp differences of opinion as to what will be the policy for the country in this regard. There are sharp differences of opinion among consumer advocates as well as among representatives of business, but I believe the action of the Government Operations Committee yesterday, which was taken after thorough and careful study, endless hours of negotiations, and listening to witnesses, as well as conferring with experts in the field, represents the best kind of program, on balance, that we could develop to protect the consumer interest. I certainly commend all my colleagues on the committee, regardless of their particular position or feelings in the matter, for the good will with which they worked to finally report the bill to the Senate.

It would be my hope that the committee staff would finish the report, as directed by the chairman, and have it available for reporting to the Senate on next Friday, a week from today, and that the Senate could give early consideration to this legislation on the floor.

I commend the Senator from Connecticut (Mr. RIBICOFF) and the Senator from New York (Mr. JAVITS) for their brilliant leadership in connection with this legislation.

CONSUMER PROTECTION AGENCY OVERWHELMINGLY APPROVED BY GOVERNMENT OPERATIONS COMMITTEE

Mr. President, yesterday afternoon, after 2 months of intensive consideration, the Government Operations Committee by a 14 to 2 vote reported a landmark consumer protection bill to the Senate. This action should be taken as a signal to government and industry that the day of the consumer is finally at hand.

As ranking Republican on the committee and a principal consponsor of the measure, I want to extend special tribute to Senator ABRAHAM A. RIBICOFF, of Connecticut, and Senator JACOB K. JAVITS, of New York, whose outstanding advocacy—and persistence—enabled the measure to win the support of so many members of the committee.

Yesterday's action practically assures that a consumer protection bill will emerge from this Congress. This is a precise and balanced measure which provides the authority and resources needed to assure effective representation of consumer interests.

The bill, similar to an administration-backed version approved 344 to 44 by the House last October, creates a Consumer Protection Agency which would be authorized to:

Represent consumer interests as an equal party before Federal agencies and courts in formal and informal proceedings, including those where fines, penalties of forfeitures are involved.

Represent consumer interests in proceedings before State or local courts or agencies, when requested to do so by the agency or court involved.

Conduct independent surveys and research concerning consumer interests and needs, and assure action of legitimate consumer complaints.

Make grants to States, localities, and nonprofit private groups to encourage and assist their consumer programs and activities.

The head of the CPA would be appointed by the President, with Senate confirmation, for a 4-year term, and be removable only for cause.

The agency chief would have authority to name his own general counsel and other key administrative assistants. The Administrator would be Chairman of a three-member Commission which would be responsible for general policy determination.

Under the House-passed version, the CPA head would serve at the pleasure of the President, who also would appoint the agency's general counsel and other top officials.

The committee rejected a crippling amendment that would have weakened the role of the agency in regulatory proceedings from that of a full participant to an "amicus" with no standing to question witnesses or appeal decisions.

Consistent with truth in packaging principles, the amicus amendment should more properly be termed the "inimicus" or "enemy of the consumer" amendment because it is a sham, and many responsible members of the business community have confided as much to me.

This legislation does not tip the scales for the consumer or against business. It is needed because the regulatory agencies Congress has set up to protect the consumer have simply not been doing the job. Too often in the past, agencies established as watchdogs for the public interest have become lapdogs for private interests.

The Senate bill also establishes a three-member Council of Consumer Advisers in the Executive Office of the President, which would replace the present Office of Consumer Affairs.

Patterned after the Council of Economic Advisers and the Council on Environmental Quality, it would directly advise and assist the President on consumer policies and priorities and the management of consumer protection pro-

grams. The Council will develop new legislation, evaluate current programs and help prepare an annual consumer report for the President.

The Council would not be involved in daily operations, such as handling consumer complaints or publishing consumer education material. Those functions, now performed by the Office of Consumer Affairs, would be taken over by the Consumer Protection Agency.

Mr. President, in a letter to Chairman SAM ERVIN, of the Government Operations Committee, dated August 3, 1972, our distinguished majority leader, Senator MIKE MANSFIELD, properly termed the Consumer Protection Agency legislation "one of the major items for floor consideration prior to the close of this Congress."

I am hopeful, and I urge that the Senate leadership promptly schedule this measure for floor action, since so many Senators have indicated their approval. The Senate passed similar legislation in December 1970, by 74 to 4 margin, and I trust the upcoming vote will be at least as overwhelming.

LIMITATION OF IMPORTS

Mr. PERCY. Mr. President, I would also like to mention one other aspect of consumer protection. There is a piece of legislation that we will be dealing with at some point in the future on the floor called the Burke-Hartke bill. This is a bill that places absolute limitations on imports coming into this country from abroad.

I think it would be a very disastrous piece of legislation for this country to adopt, and I was reaffirmed in this view by a statement of the Board of Directors of the Illinois Agricultural Association. To a man, these men felt that no more serious blow could be struck at the farmer than the passage of this kind of restrictive legislation.

I do believe we need to look with concern and a compassionate feeling toward any community or any country or any industry adversely affected by imports.

We all want to protect in the right way the worker in America. So, for that reason, earlier today I introduced, together with the cosponsorship of my able colleague from Ohio (Mr. TAFT), a piece of legislation that I think will deal effectively with trade adjustments that are necessary when imports come in.

As the legislation now exists, adjustments can only be made when it is definitely proven that tariff action adversely affects American workers. We cannot deal with a community as a whole. The legislation that I introduced today, the complete explanation of which is available in the RECORD, would allow us for the first time to simply determine that imports have adversely affected workers and for the first time would enable us to deal with an entire community and provide adequate adjustment assistance that would enable us to move out of industries which are so adversely affected into trades and industries where we can more effectively compete. To do it any other way would be to strike a blow at the consumer.

Mr. President, I believe this is a consumer economy. All my business life I have believed the purpose of our economy was not just to protect the producer, but the consumer. The standard of living in this Nation depends upon wages that are paid and depends also on what we can buy with those wages. For that reason we need to take a good, hard look at what affects costs in the marketplace.

I believe it would be wrong for us to move away from the policy that has been advocated and supported by five Presidents in a row and overwhelmingly supported by Congress. I believe this is a propitious moment for the Senate to move ahead with the most completely thought-out piece of legislation that we have had yet to deal with the problem.

DATE FOR EULOGIES TO THE LATE SENATOR ELLENDER TO BE FIXED AFTER FIRST OF NEXT YEAR

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished majority leader, I wish to announce that a period for the delivery of eulogies with regard to our late departed colleague, Senator Ellender, will be established and set aside at some time during the early days of the first session of the next Congress. It is felt that the schedule will be so busy during the days following the return of the Congress after the Labor Day holiday that it would be best to go over until the first of the year for those eulogies. Senators will be appropriately notified when that date has been set.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 2 o'clock p.m. today.

The motion was agreed to; and at 1:36 p.m. the Senate took a recess until 2 p.m.; whereupon the Senate assembled at 2 p.m., when called to order by the Presiding Officer (Mr. BUCKLEY).

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess, subject to the call of the Chair.

The motion was agreed to; and at 2 p.m. the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 2:05 p.m. when called to order by the Presiding Officer (Mr. BUCKLEY).

AUTHORIZATION OF CERTAIN AIRCRAFT LOAN GUARANTEES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 2741, a bill at the desk, which was reported today, and which has been cleared on both sides; and with respect to which there is some kind of emergency situation attached.

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

The assistant legislative clerk read as follows:

S. 2741. A bill to amend the Act of September 7, 1957, authorizing aircraft loan guarantees, in order to expand the program pursuant to such Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments on page 1, after line 8, strike out:

(1) in the second sentence of the first section by inserting "(1)" after "to enable them to", and by inserting before the period at the end thereof a comma and the following: "and (2) refinance aircraft financed at a higher rate of interest, or on terms otherwise less favorable;"

(2) in section 3 by inserting after "any aircraft purchase loan" a comma and the following: "or other loan or commitment in connection therewith made for the purpose described in clause (2) of the first section.";

(3) in section 4(b) by inserting before the period at the end thereof the following: "or refinanced therewith";

On page 2, at the beginning of line 12, strike out "(4)" and insert "(1)"; in line 13, after "$30,000,000", strike out "and"; after line 13, strike out:

(5) in section 4(e) by inserting after "Secretary finds" the following: "in the case of an aircraft purchase loan";

(6) by striking out section 4(f) and inserting in lieu thereof the following:

"(f) Unless the Secretary finds that the guaranteed loan is needed to continue or improve the service and efficiency of operation of the air carrier.";

(7) by striking out section 6(a) and inserting in lieu thereof the following:

"(a) The Secretary shall have the responsibility of administering this Act and shall make the findings required by section 4 (e) and (f): *Provided, however,* That he may make use of the advice of other agencies and instrumentalities of the Federal Government to the extent that he regards such advice desirable: *And provided further,* That such use shall not unduly delay the guaranties of loans and their administration in accordance with the policy of this Act."; and

On page 3, at the beginning of line 8, strike out "(8)" and insert "(2)"; in the same line, after the word "out", strike out "15" and insert "fifteen"; in line 9, after the word "thereof", strike out "20" and insert "twenty"; and, after line 9, strike out:

By deleting the last sentence of section 1380 of this title (49 U.S.C. 1380) and inserting in lieu thereof the following: "The provisions of this section shall not be applicable to the guaranty of loans by the Secretary of Transportation under the provisions of such Act of September 7, 1957, as amended, but the Secretary of Transportation may consult with and consider the views of the Board in making such guaranties."

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 the Act entitled "An Act to provide for Government guaranty of private loans to certain air carriers for purchase of modern aircraft and equipment, to foster the development and use of modern transport aircraft by such carriers, and for other purposes", approved September 7, 1957 (49 U.S.C. 1324 note), is amended—

(1) in section 4(d) by striking out "$10,000,000" and inserting in lieu thereof "$30,000,000"; and

(2) in section 8 by striking out "fifteen" and inserting in lieu thereof "twenty".

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished Senator from Nevada (Mr. CANNON), I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there be no further amendments 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, was read the third time, and passed.

ORDER FOR RECOGNITION OF SENATOR BAKER ON TUESDAY, SEPTEMBER 5, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, on the morning of Tuesday, September 5, 1972, immediately following the remarks of the two leaders under the standing order, the distinguished Senator from Tennessee (Mr. BAKER) be recognized for not to exceed 15 minutes.

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

RECESS UNTIL 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 3:30 p.m. today.

The motion was agreed to; and, at 2:08 p.m. the Senate took a recess until 3:30 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess awaiting the call of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to; and, at 3:30 p.m., the Senate took a recess subject to the call of the Chair.

At 3:31 p.m. the Senate reassembled, when called to order by the Presiding Officer (Mr. ALLEN).

RECESS UNTIL 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 4 o'clock p.m. today.

The motion was agreed to; and at 3:32 p.m. the Senate took a recess until 4 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

RECESS TO 4:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 4:45 p.m. today.

The motion was agreed to; and at 4:01 p.m. the Senate took a recess until 4:45 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

ORDERS FOR ADJOURNMENT FROM SEPTEMBER 5, SEPTEMBER 6, AND SEPTEMBER 7, 1972, UNTIL 9 A.M. ON EACH OF THE FOLLOWING DAYS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on September 5, September 6, and September 7, it stand in adjournment, respectively, until 9 a.m. on September 6, September 7, and September 8, 1972.

The PRESIDING OFFICER. 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 agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3726) 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 message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 755) to amend the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to convert criminal penalties to civil penalties in certain instances, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to 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.

The message also announced that the House had passed without amendment the joint resolution (S.J. Res. 213) to authorize and request the President to issue a proclamation designating October 6, 1972, as "National Coaches Day."

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 11185) to amend the Internal Revenue Code of 1954 with regard to the exempt status of veterans' organizations.

The message further announced that the House had agreed to the concurrent resolution (S. Con. Res. 94) providing for an adjournment of the two Houses from August 18, 1972, to September 5, 1972, with an amendment in which it requests the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 755. An act to amend the Shipping Act 1916, and the Intercoastal Shipping Act, 1933, to convert criminal penalties to civil penalties in certain instances, and for other purposes;

H.R. 2394. An act for the relief of Antonio Benavides;

H.R. 2703. An act for the relief of Mrs. Concepcion Garcia Balauro;

H.R. 5158. An act for the relief of Maria Rosa Martins;

H.R. 5814. An act to amend section 2735 of title 10, United States Code, to provide for the finality of settlement effected under section 2733, 2734, 2734a, 2734b, or 2737; and

H.R. 12392. An act to amend title 28, United States Code, section 1491, to authorize the Court of Claims to implement its judgments for compensation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, August 18, 1972, he presented to the President of the United States the following enrolled bills:

S. 2166. An act to authorize the establishment of the Grant Kohrs National Historic Site in the State of Montana, and for other purposes; and

S. 3159. An act to authorize the Secretary of the Interior to establish the John D. Rockefeller, Junior, Memorial Parkway, and for other purposes.

ADJOURNMENT OF THE TWO HOUSES TO SEPTEMBER 5, 1972

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 94.

The PRESIDING OFFICER (Mr. ALLEN) laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 94) entitled "Concurrent resolution providing for an adjournment of the two Houses from August 18, 1972, to September 5, 1972", which was on page 1, line 4, strike out "1972.", and insert: "1972, and that when the House adjourns on Friday, August 18, 1972, it stands adjourned until 12 noon on Tuesday, September 5, 1972."

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is an agreeing to the motion of the Senate from West Virginia.

The motion was agreed to.

The concurrent resolution, as amended, reads as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Friday, August 18, 1972, it stand adjourned until 10:00 o'clock ante meridian on Tuesday, September 5, 1972, and that when the House adjourns on Friday, August 18, 1972, it stands adjourned until 12 noon on Tuesday, September 5, 1972.

ORDER LIMITING TIME FOR YEA-AND-NAY VOTES ON SEPTEMBER 5

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the first rollcall vote on September 5, the remaining rollcall votes which will occur in consecution be limited to 10 minutes each, with the warning bell to be sounded after the first 2½ minutes have expired.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene again, following the close of business today, at 10 a.m. on Tuesday, September 5.

After the two leaders have been recognized under the standing order, the distinguished Senator from Tennessee (Mr. BAKER) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, at the conclusion of which the Senate will proceed to the consideration of the following bills, in the order stated:

S. 2087, benefits to survivors of police officers.

S. 16, civil remedies to victims of certain activities.

H.R. 9323, amending the Narcotics Addicts Rehabilitation Act of 1966.

S. 2567, prosecutions for crimes committed aboard aircraft.

H.R. 9222, correcting certain deficiencies in the law relating to counterfeiting and forgery.

There is a time limitation on each of the five bills, and yea-and-nay votes have previously been ordered on the five bills. Under the order, the yea-and-nay votes will not occur on the first four bills until the fifth of the aforementioned measures has reached the third reading stage and all time thereon has been used or yielded back. At that time, the yea-and-nay votes will occur, back to back, the first one on S. 2087, then on S. 16, H.R. 9323, S. 2567, and H.R. 9222, in that order. The first of the five votes will probably occur at around 2 p.m., give or take a little.

Following the yea-and-nay votes on the five bills that have been enumerated, the Senate will proceed to the second track item for the rest of that day, which is H.R. 14370, the Revenue-Sharing Act. Amendments will be in order, and yea-and-nay votes may occur thereon.

So, repeating, there will be several yea-and-nay votes on Tuesday, September 5, the first day of the session following the Labor Day holiday.

The interim agreement with the U.S.S.R. remains the unfinished business, and consequently the main track item, for the days following Tuesday, September 5; and the revenue-sharing bill, H.R. 14370, will be the second track item daily upon our return until that bill is disposed of.

The leadership may, of course, from time to time call up other items, and the Senate may operate on a third track or a multiple track system beyond the two tracks. Conference reports may be called up at any time, they being privileged matters, and yea-and-nay votes may occur thereon.

Obviously, if Congress is to adjourn sine die by September 30—and that is a hopeful and optimistic target date, though not one entirely out of our reach—committee work on H.R. 1 will have to be done during the days between the close of the Republican Convention and the Labor Day Holiday, even though the Senate will not be in session. The Senator from Louisiana (Mr. LONG), as chairman of the Committee on Finance, has indicated his willingness and his desire to continue to work during that period and the leadership on both sides of the aisle in urging full cooperation on the part of members of the Committee on Finance.

It is, of course, important that, if possible, conferences on bills authorizing appropriations be completed promptly so that the remaining appropriation bills can be acted upon by the other body and transmitted to the Senate for action here as early after September 5 as the situation will permit.

The various subcommittees on appropriations of the Senate Committee on Appropriations have completed their hearings on the regular appropriation bills and stand ready to mark up the bills promptly on their receipt from the other body.

It may be necessary to hold some Saturday sessions in order to complete the work before final adjournment.

At this time, Mr. President, I wish on behalf of the majority leader, to compliment the Senate—Senators on both sides of the aisle—on the work that has been done following the Democratic Convention. Since the Senate reconvened following the Democratic Convention, several major, important, and often controversial measures have been disposed of in one way or another, such as the Foreign Assistance Authorization Act, the minimum wage bill, the maritime bill, the marine mammals bill, the bill extending the life of the Civil Rights Commission, the military procurement authorization, the military construction authorization, the agriculture appropriation bill, the freight car bill, the Securities and Exchange Act, the export control bill, the SALT treaty, the SBA disaster loan bill, the gun control bill, the no-fault insurance bill, the Airport and Airways Development Act, the continuing resolution, the Hurricane Agnes disaster relief appropriation, the national school lunch legislation, the National Science Foundation research bill, several conference reports—some of which required rollcall votes—and various other bills.

The following major pieces of legislation remain to be acted upon—again I say, one way or another—before sine die adjournment: The interim agreement on offensive weapons, which I understand was acted upon by the other body today; the revenue-sharing bill, which is presently the second-track item before the Senate; the military construction appropriation bill; the military procurement appropriation bill; foreign aid, the supplemental appropriation bill; the debt limit revision and extension; H.R. 1, the welfare bill; and various conference reports. Perhaps, hopefully, some other measures can be sandwiched in from time to time as the situation permits—for example, H.R. 10729, the Federal Insecticide, Fungicide, and Rodenticide Act.

Mr. President, I again compliment the Senate. I express appreciation, on behalf of the distinguished majority leader, for the splendid cooperation that has been accorded to the leadership in its efforts to work out time agreements and thus to expedite the business of the Senate and the business of the people.

I know that the majority leader would want me to add that we hope to continue receiving—and we expect that we will continue to receive—the same high degree of patience and cooperation from all Senators on both sides of the aisle in our efforts to expedite the remaining business and give Senators a chance, once the work of the Senate is done, to get back home and touch hands with the people and see what the people are saying and thinking, and then come back with batteries recharged and with a better understanding of what the attitudes of the people are with respect to the major issues facing the Nation, and be ready with vigor to go into the new session when it gets under way next year.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ADJOURNMENT UNTIL 10 A.M. TUESDAY, SEPTEMBER 5, 1972

Mr. ROBERT C. BYRD. Mr. President, with every good wish to every Senator that he might receive a good rest during the ensuing days, and with good wishes to the officers of the Senate, the people at the front desk, Senate attaches and pages, and Senators' staffs, I move, if there be no further business to come before the Senate, that the Senate, in accordance with the provisions of Senate Concurrent Resolution 94, stand in adjournment until 10 a.m., on Tuesday, September 5, 1972.

The motion was agreed to; and at 4:56 p.m. the Senate adjourned until Tuesday, September 5, 1972, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate August 18, 1972:

DIPLOMATIC AND FOREIGN SERVICE

Joseph A. Mendenhall, of Virginia, a Foreign Service Officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Malagasy Republic.

Talcott W. Seelye, of Maryland, a Foreign Service Officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia.

UNITED NATIONS

The following-named persons to be Representatives of the United States of America to the Twenty-seventh Session of the General Assembly of the United Nations:

GALE W. MCGEE, U.S. Senator from the State of Wyoming.

JAMES B. PEARSON, U.S. Senator from the State of Kansas.

U.S. ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. John Russell Deane, Jr., xxx-xx-x... xxx-... U.S. Army.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 18, 1972:

DISTRICT OF COLUMBIA COURT OF APPEALS

Stanley S. Harris, of Maryland, to be Associate Judge of the District of Columbia Court of Appeals for the term of fifteen years.

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA

H. Carl Moultrie, of the District of Columbia, to be an associate judge, Superior Court of the District of Columbia, for the term of years prescribed by Public Law 91-358, approved July 29, 1970.

DEPARTMENT OF THE TREASURY

James E. Smith, of Virginia, to be a Deputy Under Secretary of the Treasury.

U.S. TAX COURT

Cynthia Holcomb Hall, of California to be a judge of the U.S. Tax Court for a term expiring 15 years after she takes office.

HOUSE OF REPRESENTATIVES—*Friday, August 18, 1972*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Acquaint thyself with God and be at peace: Thereby good shall come unto thee.—Job 22: 21.

Eternal God our Father we are grateful for life and for the opportunity of serving our Nation in these Halls of Congress. Grant that we may be strong enough and patient enough to be equal to every experience, ready for every responsibility and adequate for every activity. Bestow upon us all the spirit of devotion which proves that it is just and good to obey Thy Commandments as taught in Thy Word.

Now we pray that we may walk in Thy way and live by Thy laws until the shadows lengthen and the evening comes and the busy world is hushed and the fever of life is over and our work is done. Then, of Thy great mercy, grant us a safe lodging, a holy rest, and peace at the last: through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 2394. An act for the relief of Antonio Benavides;

H.R. 2703. An act for the relief of Mrs. Concepcion Garcia Balauro;

H.R. 5158. An act for the relief of Maria Rosa Martins;

H.R. 5814. An act to amend section 2735 of title 10, United States Code, to provide for the finality of settlement effected under section 2733, 2734, 2734a, 2734b, or 2737;

H.R. 9256. An act for the relief of Kyong Ok Goodwin (Nee Won);

H.R. 10713. An act for the relief of Wilma Busto Koch;

H.R. 12392. An act to amend title 28, United States Code, section 1491, to authorize the Court of Claims to implement its judgments for compensation; and

H.J. Res. 1278. Joint resolution making further continuing appropriations for the fiscal year 1973, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and a concurrent resolution of the House of the following titles:

H.R. 14896. An act to amend the National School Lunch Act, as amended, to assure that adequate funds are available for the conduct of summer food service programs for children from areas in which poor economic conditions exist and from areas in which there are high concentrations of working mothers, and for other purposes related to expanding and strengthening the child nutrition programs; and

H. Con. Res. 553. Concurrent resolution authorizing certain printing for the Committee on Veterans' Affairs.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14896) entitled "An act to amend the National School Lunch Act, as amended, to assure that adequate funds are available for the conduct of summer food service programs for children from areas in which poor economic conditions exist and from areas in which there are high concentrations of working mothers, and for other purposes related to expanding and strengthening the child nutrition programs," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. ALLEN, Mr. HUMPHREY, Mr. MILLER, and Mr. AIKEN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2956) entitled "An act to make rules governing the use of the Armed Forces of the United States in the absence of a declaration of war by the Congress," agree to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. CHURCH, Mr. SPONG, Mr. CASE, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2166. An act to authorize the establishment of the Grant-Kohrs Ranch National Historic Site in the State of Montana, and for other purposes; and

S. 3159. An act to authorize the Secretary of the Interior to establish the John D. Rockefeller, Jr., Memorial Parkway, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12931) entitled "An act to provide for improving the economy and living conditions in rural America."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3490. An act to authorize and request the President to issue annually a proclamation designating August 26 of each year as "Women's Rights Day";

S. 3594. An act providing for Federal purchase of the remaining Klamath Indian Forest;

S. 3762. An act to extend the program for health services for domestic agricultural migrant workers; and

S. 3811. An act to amend the act entitled "An act to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes", approved November 5, 1966.

AMENDING SHIPPING ACT, 1916, AND INTERCOASTAL SHIPPING ACT, 1933

Mr. GARMATZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 755) to amend the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to convert criminal penalties to civil penalties in certain instances, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 14, insert:

"(d) By amending the first paragraph of section 23 to read as follows:

" 'Orders of the Commission relating to any violation of this Act or to any violation of any rule or regulation issued pursuant to this Act shall be made only after full hearing, and upon a sworn complaint or in proceedings instituted of its own motion.' ".

Page 2, line 15, strike out "d" and insert "(e)".

Page 3, lines 3 and 4, strike out "to be assessed by the Federal Maritime Commission".

Page 3, strike out lines 6 to 10, inclusive.

Page 3, lines 15 and 16, strike out "to be assessed by the Federal Maritime Commission".

Page 3, after line 17, insert:

"SEC. 3. Any civil penalty provided herein may be compromised by the Federal Maritime Commission, or may be recovered by the United States in a civil action."

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. HALL. Mr. Speaker, reserving the right to object, may I ask the distinguished gentleman, our colleague from Maryland, the chairman of the Committee on Merchant Marine and Fisheries, to explain briefly to us the purport of the Senate amendments that we are concurring in and the need for concurrence and if there is an increase in cost