HIGHER EDUCATION

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 12, 1973

Mr. GUYER. Mr. Speaker, after much warfare, all America welcomes peace. Young Americans with their hopes and dreams at long last are looking forward to a life uninterrupted by war to the promised volunteer military and the end of conscription.

In this critical time, it is imperative that the halls of our colleges and the equal opportunity for higher education be made available to all.

Tomorrow belongs to those who are prepared for it. In keeping with this commitment to our youth, I join my colleagues in support of the important amendment to House Joint Resolution 496 which would help erase doubts of uncertainty and bring timely tuitional assistance to the youth of America. We must give them the green light now by making supplemental appropriations under the National Direct Student Loan program, the College Work Study programs, the Supplementary Educational Opportunity Grants, and the Basic Opportunity Grant program. College preparation cannot wait; plans for enrollment must be made now.

Also, I am most pleased Representative JOHN ANDERSON was able to make our bill which would restore $1.8 million for the National Industrial Equipment Reserve and provide tools for schools, an amendment to House Joint Resolution 496.

Machine tools worth $46 million are literally rusting away and some 400 U.S. schools face possible loss of $40 million in tools on free loan for vocational training purposes.

Schools in my State of Ohio have 484 items on loan from the National Industrial Equipment Reserve—NIER—valued at $2,653,809.

Troy High School, in my district, has 18 items on loan from National Industrial Equipment Reserve—NIER—which are valued at $107,488.

Tools for schools are more of an investment than a cost. It would cost our Government $3.8 million each year to store these tools; if this machinery were to be withdrawn, it would cost schools $103 million to replace the machinery.

HANOI'S HEINOUS POW TREATMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 12, 1973

Mr. DERWINSKI. Mr. Speaker, now that our POW's have been released by the North Vietnamese, they are quite properly discussing the treatment to which they were subjected during their period of captivity.

Statements now being made and evidence now available demonstrate total disregard of the Geneva Accords relating to prisoners of war. Columnist Nick Thimmesch, in an article in the Chicago Tribune of Sunday, April 8, very effectively summarizes the treatment of our POW's.

The article follows:

HANOI'S HEINOUS POW TREATMENT

(By Nick Thimmesch)

WASHINGTON.—Last week, I wrote that the antiwar people who went to Hanoi and came home to tell how decently the North Vietnamese were treating American POWs were strangely silent. No sooner had I written that than Jane Fonda lipped off.

"Hypocrites and liars" is what she calls the returned POWs who told of their torture. "History will judge them severely. The condition of the returning prisoners should speak for itself to prove the men have not been tortured."

But the condition of some of the POWs is precisely what has converted some honest skeptics to believe that North Viet Nam is guilty of heinous treatment of its prisoners and also of a brilliant job of fooling some American visitors who now must be classified as "dupes."

But then we have Father Philip Berrigan saying not a word against Hanoi's violation of the Fifth Commandment, but describing the POWs as war criminals under "divine and human law."

And we have folk singer Joan Baez proclaiming from Paris that she is a little surprised that Americans are outraged over the atrocity revelations because there are still 200,000 prisoners in South Vietnamese prisons not being treated well.

Fonda, Berrigan, and Baez operate from their glands and can't be expected to be rational. But what of the political and academic folk who went to Hanoi and uttered authoritative remarks about how well our prisoners were? Those remarks, according to some returned POW's, were thrown in their faces later by the North Vietnamese and were part of Hanoi's propaganda campaign against the United States.

Take Ramsey Clark, former U.S. attorney general, who said that the 10 POWs he saw in Hanoi "were unquestionably humanely treated" and lived in individual rooms "bigger and better" than any prison he had seen anywhere.

Clark must have known that he met "showcase" POWs and that the North Vietnamese rigged the show for him. What does Clark say now? Nothing. I can't get him to return phone calls.

Dr. Richard J. Barnet, co-director of the Institute for Policy Studies, told a congressional committee in 1971 that there was compelling evidence that the North Vietnamese were not mistreating our prisoners.

He debunked stories of atrocities against the POWs. Not a peep out of Dr. Barnet now. He is in Mexico, unreachable by phone.

Stewart Meachem, peace secretary of the American Friends Service Committee, testified in 1971 that he was impressed in his visit to a POW camp in Hanoi with how alert and healthy the POWs were, and how he was told there was no mistreatment. No word from Meachem now.

Mrs. Cora Weiss of the Women's Strike for Peace, trafficked in the POW business for several years. She said, in November, 1970, that North Vietnamese disclosure of the names of four POWs and letters from POWs "show that the North Vietnamese are following a humanitarian policy toward the prisoners."

What does she say now? "I'm sure there was some suffering and hardship," she told me. "There are horrors in prison life, whether it's in Hanoi or the United States. Some of the POWs are angry at me and are looking for a scapegoat, and they found the wrong one. I didn't do anything wrong. The hands of the United States aren't clean on this war."

I talked with Lt. Col. Leo K. Thorsness, a returned POW, who told of how his captors taunted prisoners about how strong the antiwar movement was and how they wasted their efforts and lives in the war.

"They propagandized us," Thorsness said, "and two things that really got me were statements they provided us by McCloskey and [George] McGovern." He referred to Rep. Paul McCloskey's [R., Cal.] remark on NBC's Today show, June 7, 1972, opposing the bombing of North Viet Nam.

Thorsness said that he felt disheartened in prison when he learned of Sen. McGovern's statement that "I would go to Hanoi and beg if I thought that would release the boys one day earlier." Thorsness, who lives in Sioux Falls, S.D., now says, "Nothing would give me more joy that to run against and defeat the honorable Mr. McGovern some day in the future."

SENATE—*Friday, April 13, 1973*

The Senate met at 10 a.m. and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

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

Almighty God, unto whom all hearts are open, all desires known, come to us in the purity of Thy presence and make us what we ought to be. Answer every prayer in this place, uttered or unexpressed, according to each particular need. In our work help us to move with alacrity, to be patient when we must wait, and to make decisions only when the answer has become clear. Grant us the serenity to accept what cannot be changed, the courage to change what can be changed, and the wisdom to know one from the other. Bring us at the end of the day to our resting places with hearts content and souls unblemished.

Through our Redeemer and Lord we make our prayer. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 496) making supplemental appropriations for the fiscal year ending June 30, 1973, for the Civil Aeronautics Board and the Veterans' Administration, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 496) making supplemental appropriations for the fiscal year ending June 30, 1973, for the Civil Aeronautics Board and the Veterans' Administration, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, April 12, 1973, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nominations in the Department of Defense, as follows:

John O. Marsh, Jr., of Virginia, to be an Assistant Secretary of Defense.

Jerry Warden Friedheim, of Virginia, to be an Assistant Secretary of Defense.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. MARINE CORPS

The second assistant legislative clerk read the nomination of Lt. Gen. Ormond R. Simpson, to be lieutenant general.

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

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

The 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.

EXTENSION OF DIPLOMATIC PRIVILEGES AND IMMUNITIES TO LIAISON OFFICE OF THE PEOPLE'S REPUBLIC OF CHINA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 113, S. 1315.

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

The assistant legislative clerk read as follows:

S. 1315. A bill to extend diplomatic privileges and immunities to the Liaison Office of the People's Republic of China and to members thereof, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–119) explaining the purposes of the measure.

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

PURPOSE

S. 1315 authorizes the President, under such terms and conditions as he shall determine, and consonant with the purposes of this bill, to extend to the Liaison Office of the People's Republic of China in Washington and to the members thereof the same privileges and immunities subject to the corresponding conditions and obligations as are enjoyed by the diplomatic missions accredited to the United States and by members thereof.

BACKGROUND

The United States-People's Republic of China Communiqué, following Dr. Henry A. Kissinger's meeting with Chinese leaders, February 22, 1973, contained these paragraphs:

"The two sides agreed that the time was appropriate for accelerating the normalization of relations. To this end, they undertook to broaden their contacts in all fields. They agreed on a concrete program of expanding trade as well as scientific, cultural, and other exchanges.

"To facilitate this process and to improve communications it was agreed that in the near future each side will establish a liaison office in the capital of the other. Details will be worked out through existing channels.

"The two sides agreed that normalization of relations between the United States and the People's Republic of China will contribute to the relaxation of tension in Asia and in the world."

Elaborating the same day, Dr. Kissinger explained:

"We discussed the principles of the Shanghai communiqué, particularly those that dealt with the desirability of normalization of relations, the desirability of reducing the danger of military conflict, the affirmation by both sides that neither would seek hegemony in the Pacific area, and each of them opposed the attempt of anyone else to achieve it, and that the relations between China and the United States would never be directed against any third country.

"In that spirit, it was decided to accelerate the normalization of relations to broaden contacts in all fields, and an initial concrete program for extending these contacts was developed.

"Given this new range of contacts, it was decided that the existing channel in Paris was inadequate and that, therefore, each side would establish a liaison office in the capital of the other. This liaison office would handle trade as well as all other matters, except the strictly formal diplomatic aspects of the relationship, but it would cover the whole gamut of relationships. This liaison office will be established in the nearest future. Both sides will make proposals within the next few weeks to the other about their technical requirements, and henceforth it will be possible for the United States and the People's Republic of China to deal with each other in the capital of the other."

On April 5, 1973, an advance party of the U.S. Liaison Office arrived in Peking. The counterpart delegation from the People's Republic is expected to arrive around Easter.

COMMITTEE ACTION

At an executive session April 12, 1973, the committee considered S. 1315 introduced by Senator Fulbright, by request, and a similar bill, S. 1287 introduced by Senator Kennedy. At that time, by a voice vote and without objection, the committee ordered S. 1315 favorably reported to the Senate, subject to the receipt of an official communication from the executive branch, which is printed in the appendix.

The committee notes that the wording of S. 1315 is based on previous such measures, as for example the Organization of American States Privileges and Immunities Act of 1952, and the extension of privileges to the Mission of the Commission of European Communities in Washington, D.C., in 1972. In general, the privileges and immunities involved concern immunity from suit and other judicial process, immunity from search and confiscation, inviolability of archives, immunity from import duties and procedures, official, freedom of communications, duty-free import of baggage and effects, exemption from Federal income and other taxes.

These are the same privileges and immunities enjoyed by foreign diplomats accredited to the United States, as set forth in the Vienna Convention on Diplomatic Relations, and similar to those contained in the United Nations Convention on Privileges and Immunities.

Passage of this bill will represent U.S. acceptance of the agreement on privileges and immunities referred to above.

To the extent that there may be additional costs to the U.S. Government, these would concern solely the small increase in services to be furnished by the Executive Protective Service. The numbers of people who would be entitled to the privileges and immunities of this bill would approximately equal the U.S. group in the People's Republic of China which will number approximately 30 persons.

On April 3, 1973, the committee received the following letter from the majority and minority leadership:

U.S. SENATE,
OFFICE OF THE MINORITY LEADER,
Washington, D.C., April 3, 1973.

Hon. WILLIAM FULBRIGHT,
Chairman, Committee on Foreign Relations, 1215 Dirksen Building, Washington, D.C.

DEAR BILL: We have noticed that you in-

troduced S. 1315, a bill to give the Chinese Liaison Office—when established—diplomatic immunity and privileges.

Since an American group has already left the United States to begin preparations for an American liaison office in China, we respecfully request early action on S. 1315 so that the Chinese may begin preparations for the establishment of their liaison office.

Your kind attention to this matter will be most appreciated.

Warm regards.

Sincerely,

MIKE MANSFIELD,
Majority Leader.
HUGH SCOTT,
Republican Leader.

The Committee on Foreign Relations recommends that the Senate pass S. 1315 as soon as possible.

The bill was 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, under such terms and conditions as he shall determine and consonant with the purposes of this Act, the President is authorized to extend to the Liaison Office of the People's Republic of China in Washington and to the members thereof the same privileges and immunities subject to corresponding conditions and obligations as are enjoyed by diplomatic missions accredited to the United States and by members thereof.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. SCOTT of Pennsylvania. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EFFECT OF DOLLAR DEVALUATION ON GI'S ABROAD

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Overseas Weekly, European edition, written by Paul Stevick, on April 9, 1973, entitled "Devaluation—GI's Overseas Have To Bear the Brunt."

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

DEVALUATION

(By Paul Stevick)

The continuing crisis in the international monetary situation has some people worried and everybody talking, but nobody is paying through the nose for it like the GI stationed overseas. While people Stateside can speak abstractly of balance of payment deficits and floating currencies, the reality of a shrunken United States dollar has struck the European-based soldier like a kick in the cash drawer. German-based troops have been especially hard hit since the Mark was revalued at the same time the dollar was devalued.

As a GI you are directly affected by the devaluation in more ways than you are probably aware.

Probably the most immediate and noticeable result of the devaluation was the announcement that the European Exchange System (EES) would raise its prices. Along with this announcement the commander of the EES, Brig. Gen. C. W. Hospelhorn, stated that "wherever possible, prices will be held to a minimum." That "minimum" is a general price increase from 8 percent to a whopping 35 percent. General Hospelhorn did not explain how a 10 percent devaluation could result in a 35 percent price increase.

Purchased goods weren't the only thing affected in the PX! The cost of services has gone up too. You now pay more to have your clothes laundered, film processed, car repaired or have your wife's hair done. A haircut that cost $1.25 now sets you back $1.40. That hamburger that cost you 35 cents now costs you 40 cents.

You might have some trouble getting that hamburger down if you pull in for gas while you're eating it. Gasoline prices have jumped almost 17 percent. A spokesman for EES told The Weekly that this giant leap was partially a result of a vendor price increase and the rest is due to the devaluation.

The other increases are the result of foreign goods now costing more devalued dollars and salaries being paid in local currencies. Since the dollar is worth less than it used to be, it takes more of them to buy the same goods from foreign manufacturers. Services are often performed by local labor and their salaries are paid in the local currency. Since the devaluation, it takes more dollars to pay them. Both increases are, of course, passed along to you.

Is there any way to avoid the brunt of this financial blow in the PX? The only glimmer of light in this bleak picture is that American-made goods will remain at about the same price. A spokesman for EES explains "American-made items will remain at virtually the same selling price, except for cost increases from vendors. The scope of American goods remaining at the same selling price ranges from shaving cream to washing machines and refrigerators." This is not to say that American goods have gotten cheaper. They have become somewhat of a bargain simply because they have stayed at the same price while everything else has gotten more expensive.

Everything purchased outside the PX has gone up in direct proportion to the devaluation. All purchases made in the local currency are now costing 10 percent more. That German delight of Bratwurst and a beer that used to cost the equivalent of 70 cents now costs 80 cents. You're hit with a similar increase every time you take a streetcar or taxi, eat a meal in a local restaurant, or sooth your romantic inclinations with a foreign dish.

If you are indebted to someone in the local economy, your bill just increased 10 percent. One unfortunate GI told The Weekly that his car engine was in the process of being rebuilt when the devaluation struck. "This devaluation is going to cost me $50 on my engine bill alone."

The opposite of this last example can also be true. If you have a contract with someone in the local economy that is to be paid in dollars, the price cannot be raised to adjust for the devaluation. At least one German firm has tried to raise prices on contracts already signed by servicemen. The furniture dealer sent out letters to customers stating they had to pay about 10 percent more even though their purchase agreement quoted the price in dollars. This can't be done, said Usareur legal assistance spokesman Capt Michael Gottesman. "They have written a contract and that contract was for a dollar price. The contract is solid and they can't raise the price."

If you are part of the approximately 50 percent who live in off-base housing and your rental contract calls for payment in dollars, you're lucky. Most rent is paid in marks, which means that for almost everybody renting on the local economy, housing costs just jumped a minimum of 10 percent.

Before the first devaluation last year it was possible to find a two bedroom apartment with utilities in the Wiesbaden, Germany, area for about $160. The first devaluation sent the price of that apartment up to $172.80. The recent devaluation of 10 percent raised the price even further to $190. A direct result of the devaluation is that the cost of renting an apartment in Germany is now about the same as Stateside. The difference is that you get a lot less for the same money in Germany.

Housing, however, is one area where the Department of Defense is at least trying to do something for those affected by the devaluation. The Standard Housing Allowance has already been raised for some locations.

Finding a fair adjustment of the housing allowance is difficult at best. With some economists predicting more financial chaos and even more devaluations, and with the "floating" dollar changing value daily, it would be a bureaucratic miracle if the adjustments kept pace with the actual value of our currency.

Even with the adjustments, four of the 20 soldiers that The Weekly spoke to said that they could not now afford to bring dependents to live with them as they had previously planned. Their response was to a general question on how the devaluation of the dollar had affected them personally.

Those below the rank of E-4 who don't get a housing allowance are finding it harder than ever to make ends meet. The Weekly learned of several low ranking soldiers living with dependents even though they receive no housing allowance who were forced to move to lower rent districts. These areas are usually out of the city and force the GI to spend a half hour or more commuting each way to work. "It's out to the boonies for me and my wife," one E-3 told The Weekly, "We just can't afford to stay in the city after this."

Price increases caused by the devaluation are not limited in the PX and housing. Recreation will also be more expensive. NCO and EM clubs are raising, or have already raised, their dues and prices. At Ramstein, Germany, for instance, the Club International has doubled its dues, increased food prices 20 percent and hiked entertainment prices 12 percent. The Officers Club and the Rod and Gun Club have also raised their dues. The same thing is happening in recreational facilities all over Europe. Since these facilities operate at least partially within the local economy (salaries and maintenance are paid for in local currencies) to stay within their budget they must raise their prices.

If the shrinkage of your dollar has you so despaired that a holiday retreat is in order to soothe your shattered nerves, you're in for some more bad news. "Special Dollar Prices Still in Effect," blares the advertisement headline of one of the largest tour operators for Americans in Europe. A little further down in the ad you'll find the small print that specifies "until April 15." The fact is, if you're planning to spend some leave time traveling around Europe or even going Stateside, your wallet has a bruise coming.

The international monetary crises have undermined the price structure of international travel. Since the value of the dollar changes daily, you may sorely discover that the ticket you purchased is not the full fare at departure time. If you have to pay for your ticket in a currency other than dollars in the price went up the same number of percentage points that the dollar went down.

Even if you don't fly you'll pay more. A round trip motor tour from Frankfurt to Istanbul which a month ago cost $139 now costs $159. Souvenirs along the way will be 10 percent more expensive.

As a result of the international monetary situation a traveler could easily find himself stranded. When a money crisis warrants it, governments often close their exchange offices. During the most recent crisis and subsequent devaluation, exchange offices throughout Europe were closed for over a week. During such a situation, if you are

carrying dollars and no local currency, you're simply out of luck. During the last crisis one tourist was caught in the unwillingness of anyone to convert his money. "My plane to the States leaves in an hour," he moaned, "and I can't change enough money to get to the airport."

As if all this weren't enough, there are broader aspects to the dollar devaluation that directly affect the serviceman abroad. Since the second devaluation in 14 months there has been a new outcry by some senators and congressmen to reduce the number of American troops abroad.

TAX REFORM

Mr. SCOTT of Pennsylvania. Mr. President, yesterday we had some speeches about tax reform legislation to be or being introduced in the Senate and what was going to be done about it—how the rich were going to be soaked, the poor spared, and the middle-income people not touched.

The usual stuff, Mr. President.

It is par of the course. We get it all the time. This is what we must expect, only this time it did not fool the networks. That is where the news comes in.

Harry Reasoner on his 7 o'clock show pointed out the absolute nonsense of that kind of talk originating in the Senate by commenting on a serious discussion of tax legislation in the Senate as if we were going to do anything about it. We are not going to do anything about it until we get a bill from the other House. We know that tax legislation originates in the House of Representatives.

The general public is supposed to be bemused by how much we take from the poor, how much we touch the middle income, and about how the rich escape. This miracle is not going to be done in that way. There will be some tax changes. They will begin in the House, as usual. The distinguished chairman of the House Ways and Means Committee very likely will come up with some wise suggestions, and very likely work his will, and all the Senators who talk about a tax bill and what they are going to do will have to take the tax bill that comes from the House and live with it.

We will make a few changes. If we do not make too many, it will probably pass. If we make too many, the other body will change the bill back again.

So Harry Reasoner was right when he said this was just an exercise in making believe that the Senate introduces tax legislation.

I think we have to prick this balloon every now and then, for fear somebody will believe that what they hear is going up, is some kind of vessel which will carry freight. These balloons carry no freight. These balloons are filled with the usual components.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order be vacated.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following order be vacated.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The 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 each.

Is there any morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATION OF APPROPRIATIONS

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that certain appropriations had been apportioned on a basis which indicates a necessity for supplemental estimates of appropriations, for the fiscal year 1973 (with an accompanying paper). Referred to the Committee on Appropriations.

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. TALMADGE (for Mr. STENNIS, Mr. EASTLAND, and himself):

S. 1569. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. JACKSON:

S. 1570. A bill to authorize the President of the United States to allocate energy and fuels when he determines and declares that extraordinary shortages or dislocations in the distribution of energy and fuels exist or are imminent and that the public health, safety or welfare is thereby jeopardized; to provide for the delegation of authority to the Secretary of the Interior; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

S. 1571. A bill to clarify and extend the provision of title IV of the Rural Development Act of 1972 (Stat.) Referred to the Committee on Agriculture and Forestry.

By Mr. DOLE (for himself, Mr. ABOUREZK, Mr. AIKEN, Mr. BARTLETT, Mr. BENTSEN, Mr. BURDICK, Mr. CLARK, Mr. CURTIS, Mr. EASTLAND, Mr. HANSEN, Mr. HUGHES, Mr. HRUSKA, Mr. MCGEE, Mr. MCGOVERN, Mr. PEARSON, Mr. PERCY, Mr. TALMADGE, Mr. TOWER, and Mr. YOUNG):

S. 1572. A bill to provide equity in the feed grain set-aside program by allowing participants in plan B to switch to plan A. Referred to the Committee on Agriculture and Forestry.

By Mr. THURMOND:

S. 1573. A bill to amend title 10, United States code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, and Marine Corps. Referred to the Committee on Armed Services.

By Mr. BEALL:

S. 1574. A bill to amend title 38, United States Code, to permit certain veterans' benefits to be paid for the month in which a veteran dies. Referred to the Committee on Veterans' Affairs.

By Mr. SPARKMAN:

S. 1575. A bill to amend section 314(k) of title 38, United States Code, to provide for a special monthly payment to veterans who have lost a kidney as the result of a service-connected disability. Referred to the Committee on Veterans' Affairs.

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

S. 1576. A bill to amend title 5, United States Code, to include as creditable service for purposes of civil service retirement periods of service performed in nonappropriated fund instrumentalities of the Armed Forces, and for other purposes. Referred to the Committee on Post Office and Civil Service.

By Mr. ABOUREZK (for himself and Mr. MCGOVERN):

S. 1577. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Pollock-Herreid unit, South Dakota pumping division, Missouri River Basin project, South Dakota. Referred to the Committee on Interior and Insular Affairs.

By Mr. BAYH (for himself, Mr. HART, Mr. NELSON, Mr. RANDOLPH, and Mr. PASTORE):

S. 1578. A bill to provide for a national program of disaster insurance. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOLE:

S. 1579. A bill to provide for the demonstration of models of living arrangements for severely handicapped adults as alternatives to institutionalization and to coordinate existing supportive services necessitated by such arrangements, to improve the coordination of housing programs with respect to handicapped persons, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. GURNEY:

S.J. Res. 91. A joint resolution to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TALMADGE (for Mr. STENNIS, Mr. EASTLAND, and himself):

S. 1569. A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. Mr. President, I am

privileged today to introduce S. 1569, a bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of resource protection, development, and management by small, nonindustrial private and non-Federal public forest landowners.

This bill was originally introduced by our distinguished colleague from Mississippi (Mr. STENNIS), who has been a consistent leader in various successful efforts to provide adequate timber resources for this Nation. His bill was passed by the Senate last year, but not by the House. It is regrettable that our stricken colleague cannot be here today to introduce his own measure, but I am honored to be able to introduce this bill on his behalf, as well as my own.

The need for this legislation has never been more evident. While Secretary of Agriculture Butz has stated that this Nation will have to rely less and less on our national forests as the primary timber reserve from this Nation, it is clear that given this fact, we must rely more and more on privately held stands of timber for the rapidly increasing national demand for timber.

Our newspapers have been filled with articles telling of the rising cost of lumber because of increased demand. These price increases have raised the cost of building a home by as much as $2,000.

Mr. President, this business of timber supply is an extremely complex problem.

There are those who say we should stop shipping logs to Japan and other nations so that this wood can be used for domestic needs. But on the other hand, these shipments help substantially to improve our balance of payments—an important consideration in these days of devaluation, inflation, and general economic crisis.

Public demands to set aside large tracts of the national forests for recreational purposes, or for wilderness, have increased substantially. This pressure has generated many false claims that the Forest Service operates only for the benefit of the timber interests.

The conflicts here are enormous. Some groups want pure wilderness, for the enjoyment of those hardy souls who can hike their way into the forest. Others claim that if the forests are not properly managed, many forms of wildlife will die. Others want to take their camping vehicles into the national forests, while still others want areas set aside for skiing, snowmobiling, and other sports. It is difficult sometimes to see how these conflicting interests of a public desiring the forest experience can be reconciled, yet we must respect the wishes of the people in dealing with land that belongs to them.

On the other hand, the so-called venal timber interests, men who have, for the most part, been conserving forest land for years, are afraid that if the national forests are locked up for recreational purposes, they will lose their businesses.

These men see the pressures on the national forests. They see developers purchasing huge tracts of woodlands to build retirement and vacation homes. They see suburban sprawl destroying still more forests. And they see the demand for wood by the American people rising 70 percent in the past three decades, with substantially further increases expected in the next 30 years.

These men are in the middle of a squeeze. They do not see a way to continue meeting national timber demands, and many of them, who do not have the resources to purchase vast tracts of land, wonder how they will survive.

Their fears are entirely justified. The Forest Service reported recently that given present levels of forest management, only modest increases in timber supplies will be available in future decades, and that timber supplies will not be adequate to meet projected demands, with consequent increases in prices for timber and timber products.

Most disturbing is that despite the vast land expanse of this Nation, the Forest Service predicts that we will eventually have to import timber from nations like Canada.

However, other forestry experts dispute this. They say that exports and imports of wood products are approximately in balance now, and that there is little opportunity to significantly increase imports in the near future. In other words, these experts say we will have to meet our own needs for timber as best we can.

Mr. President, there is no question that we could be doing a better job of reforesting and managing our national forests to provide higher levels of production from that source. And it can be done if this Congress and the executive branch will provide the Forest Service with the tools to do the job.

But as JOHN STENNIS recognizes better than any of us, there is still another alternative, that would be more productive than merely providing more funding for the Forest Service. We can double the productivity of small, private, nonindustrial forests by helping their owners make long-range improvements.

In my State of Georgia, 73 percent of the forest land is privately owned, and 85 percent of this land is in tracts of 100 acres or less. Many of these small-sized forests are only partially productive because their owners are unable to make the long-term investments needed to produce quality timber, and as a result, hundreds of thousands of acres of potentially productive land are cluttered with stunted growth that is of little commercial use.

On the national level, 60 percent of our available forest resources are on lands such as I have described. It is a terrible waste.

It occurs to me that until such time as we take some realistic attitudes toward putting lands such as these into well-managed production; until we take on a program of general reforestation of the national forests, it will be difficult to consider adequately the demands of the general public to take more and more national forest land out of timber production for wilderness and other recreational purposes.

Once again, Mr. President, we are painfully learning an object lesson. The resources of the spaceship earth are limited, and they have to be utilized wisely.

Fortunately, trees are a renewal resource if managed properly. We must approach this task immediately, for we are facing a national crisis every bit as difficult to solve as the shortage of energy fuels.

It is true that this bill would provide a subsidy to stimulate reforestation and cultural improvement of small private forests. It is necessary to meet the needs of future generations.

This fact was recognized 100 years ago by Dr. Franklin B. Hough when he admonished the American Association for the Advancement of Science on "The Duty of Governments in Forestry." He observed that few people live long enough to harvest the trees they plant. Their plantings are really for the benefit of the next generation. And so it is today. Our children and grandchildren will require twice as much wood as we use today. We must provide for their needs.

Mr. President, as part of this object lesson which I described earlier, we are learning that we should not arbitrarily shut down factories, close off energy sources and shut down forests because of the cries of one ecological pressure group or another. The stakes are too great.

For example, a number of fertilizer factories have been closed over this past winter because of complaints of smoke emissions from the burning of hydrocarbon fuels, necessary to produce nitrogen.

This spring, many farmers are beginning to tell me that they cannot get high nitrogen fertilizer, meaning that their production will be down somewhat. Undoubtedly, this will affect the price of food.

Similarly, I am the cosponsor of a bill that would preserve certain areas of the eastern forests in a wilderness-like setting. Yet the people in the timber industry plead with me not to take these trees out of production until some alternatives are provided. Their arguments are just as compelling as those of the preservationists who want to stop the cutting.

Our people need a better understanding of the entire picture of our ecology. I do not wish to be contentious, but I sometimes wonder if those consumers who are complaining about high food prices are not some of the same people who caused the fertilizer plants to close. I wonder if those who would lock up the national forests for wilderness and recreational uses are not the same ones complaining about the high cost of buying a home.

As I stand here to support this legislation today, I ask the Senate and the people of this Nation to take a balanced, sensible approach toward the use of our natural resources. The actions of business and industry, as well as each individual in this country, are interrelated. We must recognize this as we meet our ecological problems.

Mr. President, I believe this bill is a forthright approach to the balance I have referred to. I commend its passage to the Senate.

Mr. President, I ask unanimous consent that the bill, together with the statement of the distinguished junior Senator from Mississippi, be printed in the RECORD at this point.

There being no objection, the bill and

statement were ordered to be printed in the RECORD, as follows:

S. 1569

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 "Forestry Incentives Act of 1973."

SEC. 2. (a) Congress hereby declares that the Nation's growing demands on forests and related land resources cannot be met by intensive management of Federal lands and industrial forests alone; that the two hundred ninety-six million acres of nonindustrial private land and twenty-nine million acres of non-Federal public forest land contain 65 per centum of the Nation's total forest resource base available to provide timber, water, fish and wildlife habitat, and outdoor recreation opportunities; that the level of protection and management of such forest lands has historically been low; that such lands can provide substantially increased levels of resources and opportunities if judiciously managed and developed; that improved management and development of such lands will enhance and protect environmental values consistent with the National Environmental Policy Act of 1969 (83 Stat. 582); and that a forestry incentives program is necessary to supplement existing forestry assistance programs to further motivate, encourage, and involve the owners of small non-industrial private forest lands and the owners of non-Federal public forest lands in actions needed to protect, develop, and manage their forest lands at a level adequate to national demands.

(b) For the purposes of this Act the term "small nonindustrial private forest lands" means commercial forest lands owned by any person whose total ownership of such lands does not exceed five hundred acres. Such term also includes groups or associations owning a total of five hundred acres or less of commercial forest lands, but does not include private corporations manufacturing products or providing public utility services of any type or the subsidiaries of such corporations.

SEC. 3. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is hereby authorized and directed to develop and carry out a forestry incentives program to encourage the protection, development, and management of small nonindustrial private lands and non-Federal public forest lands. The purposes of such a program shall be to encourage landowners to apply practices which will provide for the afforestation of nonforest lands and reforestation of cutover and other nonstocked and understocked forest lands, and for intensive multiple-purpose management and protection of forest resources to provide for production of timber and other benefits, for protection and enhancement of recreation opportunities and of scenic and other environmental values, and for protection and improvement of watersheds, forage values, and fish and wildlife habitat.

SEC. 4. (a) To effectuate the purposes of the forestry incentives program authorized by this Act, the Secretary shall have the power to make payments or grants of other aid to the owners of small nonindustrial private forest lands and the owners of non-Federal public forest lands in providing practices on such lands which carry out the purposes of the forestry incentives program. No one small nonindustrial private forest landowner shall receive an annual payment in excess of $2,500 under this Act.

(b) The Secretary may, for the purpose of this section, utilize the services of State and local committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 1150; 16 U.S.C. 590h(b)) and distribute funds available for cost sharing under this Act by giving consideration to pertinent factors in each State and county including, but not limited to, the total areas of small nonindustrial private forest lands and non-Federal public forest land and to the areas in need of planting or additional stocking, the potential productivity of such areas, and to the need for timber stand improvement on such lands. The Secretary may also designate advisors to serve as ex-officio members of such committees for purposes of this Act. Such ex-officio members shall be selected from (1) owners of small nonindustrial private forest lands, (2) private forest managers or consulting foresters, and (3) wildlife and other private or public resource interests.

(c) Federal funds available to a county for a small non-industrial private forest lands each year may be allocated for cost sharing among the owners of such lands on a bid basis, with such owners contracting to carry out the approved forestry practices for the smallest Federal cost share having first priority for available Federal funds.

(d) As a condition of eligibility and to safeguard Federal investments, the Secretary shall require cooperating landowners to agree in writing to follow a 10-year forest management plan for their property as a basis for scheduling cost-sharing or grants for practices prescribed or approved by the Secretary or his designee. These plans shall assure maintenance and use of such practices throughout the normal life span of the practice as determined by the Secertary or his designee. Failure to comply shall require refunding of payments or grants or the value thereof and forfeiture of eligibility for future participation in this program. The Secretary shall devise such regulations as may be necessary and equitable to assure either maintenance of such practices or refunding of Federal investments even if ownership of the land changes. Pro rating of liability over the 10-year span of the management plan shall be permitted so that landowners are increasingly credited with maintenance and use of a practice over time.

SEC. 5. The Secretary shall consult with the State Forester or other appropriate official of each State in the conduct of the forestry incentives program provided for in this Act. Federal assistance under this Act shall be extended in accordance with such terms and conditions as the Secretary deems appropriate to accomplish the purposes of this Act. Funds made available under this Act may be utilized for providing technical assistance to and encouraging non-Federal public landowners, the owners of small non-industrial private forest lands, non-profit groups, individuals, and public bodies in initiating practices which further the purposes of this Act. The Secretary shall coordinate the administration of this Act with other related programs and shall carry out this Act in such a manner as to encourage the utilization of private agencies, firms, and individuals furnishing services and materials needed in the application of practices included in the forestry incentives program.

SEC. 6. There are authorized to be appropriated annually an amount not to exceed $25,000,000 to carry out the provisions of this Act. Such funds shall remain available until expended.

STATEMENT BY SENATOR STENNIS

A bill to authorize the Secretary of Agriculture to develop and carry out a forestry incentives program to encourage a higher level of forest resource protection, development, and management by small nonindustrial private and non-Federal public forest landowners, and for other purposes.

THE FORESTRY INCENTIVES ACT OF 1973

Mr. STENNIS. Mr. President, I reintroduce, with modifications the Forestry Incentives Act which I introduced last year, and which was passed by the Senate but was not reported from committee in the other body. After the bill was filed last year there were a number of cosponsors added, and I will welcome the cosponsorship of interested Senators this year.

Since colonial times the forests of this nation have served us well. They have provided fuel for cooking and heating, lumber for building homes, and fiber for the highest per capita consumption of paper in the world. The current rapidly rising demand for forest products and benefits however, has brought home the fact that no longer can we depend upon nature to replenish itself but that all of our forest lands must be tended and managed if we are to continue to supply a rising demand with an even flow of products and benefits.

This is a crucial time for our nation's forests. If they progress as they should they can be a dynamic force in the abundant supply of products and benefits. Otherwise they can suffer neglect and deterioration and be relegated a passive role much below their potential.

By the year 2000 the demand for wood as a raw material in the United States will be double that of today. Since it is a renewable natural resource, the requirement for wood can be met, provided timely and decisive action is taken. However, programs of improved management must be aggressively pursued if our forests are to reach their productive potential.

A sufficient increase in production can not be expected from our national forests. The effects of improved management will be largely offset by environmental concerns leading to withdrawal of forests from production and modification of timber harvesting. Industrial forests are rapidly approaching their productive potential. Most of the needed increases in production will have to come from the 296 million acres of forest land in the hands of 4 million nonindustrial private landowners. These lands are growing wood at only one-half their productive capacity.

The U.S. Department of Agriculture has calculated that a backlog approaching 50 million acres of private nonindustrial forest land needs to be reforested. In addition, growing conditions on some 125 million acres of these holdings can be improved by cultural treatment of existing stands.

A program of reforestation and timber stand improvement, as proposed, would do more than add to the needed future timber supply. The beneficial effects of trees on the environment would be enhanced. People would enjoy the forests as these were growing up. Watersheds would be protected from erosion. Idle land would contribute again its share to the strength of our country. An important benefit of the program would be the creation of jobs for the unemployed and a strengthening of the entire rural economy.

Private, nonindustrial landowners, however, are not generally able or inclined to make the longterm investments required to bring their property to full productivity. This fact coupled with the nation's need for increased timber supplies and other benefits from the forest leads to my proposal. In this proposal the Federal Government would share the cost of tree planting and other basic forestry practices with private nonindustrial owners, as an incentive for making the needed investments.

The program would focus special attention to the needs of forestry. The program would operate through the existing agencies of the U.S. Department of Agriculture and State governments. It would not require any additional administrative organization.

In brief, my bill would:

First. Authorize the Secretary of Agriculture to carry out a forestry incentive program to encourage the protection, development and management of nonindustrial, private and non-Federal public lands. Landowners would be encouraged to plant seedlings where needed and apply such cultural treatments as are necessary to produce timber, expand recreational opportunities, enhance environmental values, protect watersheds, and improve fish and wildlife habitat.

Second. Authorize the Secretary to make payments or grants of other aid to owners of nonindustrial private lands and owners of non-Federal public lands.

Third. Utilize the services of State and local ASCS Committees established under the Soil Conservation and Domestic Allotment Act. These committees, now composed primarily of agriculturists, should also include representation of forest owners, forest managers, and wildlife or other natural resource interests.

Fourth. Federal funds may be allocated for cost sharing on a bid basis with priority accorded landowners contracting to carry out approved forestry practices for the smallest Federal cost-share. This provision will spread Federal funds over a larger acreage.

Fifth. The Secretary shall consult with the State Forester or other appropriate official so that the forest incentives program may be carried out in coordination with other related programs.

A program such as I have outlined here could make a very significant contribution to American forestry. In a 10 year period with funding of 25 million annually, basic forestry treatments could be applied to some 11 million acres. These treatments would add well over 2 billion board feet of timber annually. If increased timber supplies are to be available by the year 2000, a forestry incentives program must be initiated now because of the lead-time required to grow a tree from a seedling to merchantable size.

The modifications made in the bill this year, as differentiated from S. 3105, my bill of the last session, are as follows:

a. Small nonindustrial private lands are defined as 500 acres or less. This limitation still will include 92 percent of private forest lands. The previous definition of 5,000 acres would have included 98 percent of private forest lands, so the difference is not great in terms of our total land assets.

b. No one private landowner can receive an annual payment of more than $2,500.

c. A written agreement is required between the landowner and the government covering a ten-year management plan. Failure to comply with the agreement would require refunding of payments on a prorated basis.

d. With respect to cost sharing, the Secretary of Agriculture would be given flexibility, as he now has under other cost sharing programs. The intent is that he would use the incentives in the amount necessary in the particular area to obtain the desired participation and productivity.

e. A pilot program of loans and loan guarantees has been eliminated, as being already possible under existing authorizations.

Mr. President, in order to carry out the purposes of the program I have outlined, I introduce a bill for appropriate reference and ask unanimous consent that it be printed at this point in my remarks.

By Mr. JACKSON:

S. 1570. A bill to authorize the President of the United States to allocate energy and fuels when he determines and declares that extraordinary shortages or dislocations in the distribution of energy and fuels exist or are imminent and that the public health, safety or welfare is thereby jeopardized; to provide for the delegation of authority to the Secretary of the Interior; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, some 3 weeks ago, in the Economic Stabilization Act Amendments of 1973, the Senate authorized the President to provide "for the establishment of priorities of use and for systematic allocation of supplies of petroleum products."

It is not clear at this point what action the House will take with respect to his authority. But it is increasingly clear, Mr. President, that the Senate did not go far enough. I am, therefore, today introducing the Emergency Fuels and Energy Allocation Act to give the President more precise and definitive authority to deal with emerging shortages of petroleum products.

As Senators are well aware, this is no longer an academic problem. We are no longer speaking of events which might occur at some ill-defined future date. We need rely no more on speculative forecasts or hypothetical possibilities.

The shortages which are now beginning to be felt are the tip of the iceberg. Last fall, when some of us were first discussing the prospects of shortages, official denials were prompt and unhesitating. When the Interior Committee held oil import hearings in January, the picture had changed somewhat but the outlook was for isolated spot shortages at worst. Now the denials are less sure, the forecasts less certain.

And no wonder—when we have independent gas stations closing from coast to coast, cities like Boston unable to get bids for municipal requirements, public transportation needs similarly unmet, and farmers fearful of inadequate fuel supplies for spring planting. It is quite clear that domestic refineries cannot meet the projected demand for gasoline during the balance of 1973. It is also clear that we cannot look abroad, where supplies are also tight, to fill this gap.

As Congress acts to build a coordinated and rational fuels and energy policy, we must be prepared to deal with both long-term and short-term energy problems. The fuel shortage problem may be short term, but its impact on the American economy and the welfare of the American people could be devastating. We have a clearcut responsibility to protect the public interest by seeing that scarce fuels are properly and fairly allocated in times of shortage. We cannot rely on the major oil companies, private energy industries or the laws of the marketplace to make these decisions.

The Emergency Fuels and Energy Allocation Act which I propose would provide the President of the United States with the authority he needs to protect the public welfare in cases of extraordinary shortages or dislocations in the national fuel distribution system. By exercising the temporary authority provided by the act, the President may allocate, ration, or distribute a fuel, or any form of energy, which is, or may become, in extraordinary short supply in order to protect the health and safety of the American people and preserve the domestic economy. Such authority may be applied on a national or a regional basis and would not necessarily represent a judgment of threat to national security.

When the President finds and declares that an extraordinary fuel shortage or dislocation which jeopardizes the public welfare or the domestic economy either exists or is imminent, he may use the authority granted by the Emergency Fuels and Energy Allocation Act to:

Protect the public health, safety, and welfare;

Maintain all essential public services;

Preserve an economically sound and competitive fuels and energy industry, including the competitive viability of independent producers, refiners, marketers, and distributors;

Assure equitable distribution of fuels among all regions and areas of the United States and among all classes of consumers; and

Minimize economic distortion, inflexibility and unnecessary interference with the mechanisms of the market.

The President is required to report to Congress any finding and declaration made or any rules and regulations promulgated pursuant to the provisions of the act.

The Emergency Fuels and Energy Allocation Act also requires the President to make quarterly reports to Congress and upon expiration of the act on September 1, 1973, a final report summarizing all actions taken, an analysis of their impact and an evaluation of their effectiveness in achieving the objectives of the emergency allocation authority.

Mr. President, this legislation is not a panacea for the energy crisis. It will not end shortages of scarce fuels. What it will do, Mr. President, is assure that shortages are handled in a fair and equitable manner, that essential needs are met, that the welfare of the energy-consuming public is protected. This is a responsibility of the Federal Government which cannot be ignored.

By Mr. DOLE:

S. 1571. A bill to clarify and extend the provision of title IV of the Rural Development Act of 1972 (stat.). Referred to the Committee on Agriculture and Forestry.

RURAL FIRE PROTECTION

Mr. DOLE. Mr. President. In 1972, title IV of the Rural Development Act of 1972 provided for expansion of our rural fire protection system. It provides for advanced planning, training, and use of specialized equipment in the control of fires in rural areas. The title authorized the expenditure of $7 million to fund this program beginning in 1973.

The proposed budget for fiscal 1974 does not include a recommendation for funding for this program during the first year of its 3-year authority.

The bill I offer today would amend the Rural Development Act of 1972, title IV, to provide that this program be funded for 3 consecutive years beginning with the first year which funds are appropriated under the authority of this title. This provision will enable the continuance of this program for 3 years once it is commenced, which our National Association of State Foresters feels is a necessity in order to accomplish the technical education that would be implemented under this program.

Another amendment offered in this bill would substitute the words "fire" and "fires" for the words "wildfire" and "wildfires," as this tends to confuse the purpose of this rural fire protection title. The purpose is to include protection from fires to structures and farms in rural areas, and should not be construed to mean only wildfires such as forest fires or fires in a grain field.

Mr. President, at this time, because

of its brevity, I would ask unanimous consent that the bill in its entirety be inserted in the RECORD.

And in conclusion, Mr. President, I would urge favorable consideration of my colleagues on this legislation. Rural fire protection is a most important facet of any development plans for rural America and implementation of this program will improve the quality of life and encourage our rural citizens to remain in these rural communities. They are entitled to the same type of protection that our urban friends enjoy. Fatalities in rural areas are 1½ times greater than in urban fires. The value of property destroyed is 6 times greater than the losses of urban property from fires. When this program is implemented and funded, it is important that it continue for 3 years in order to accomplish the improvements it will provide for the citizens of rural America.

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

S. 1571

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 401 of the Rural Development Act of 1972 (86 Stat. 670) is amended by substituting the words "fire" and "fires" for the words "wildfire" and "wildfires", respectively, wherever such words appear.

SEC. 2. Section 403 of the Rural Development Act of 1972 (86 Stat. 671) is amended by substituting the word "four" for "two" in the first sentence of said section.

SEC. 3. Section 404 of the Rural Development Act of 1972 (86 Stat. 671) is amended to read as follows:

"SEC. 404. APPROPRIATIONS.—There is authorized to be appropriated to carry out the provisions of this title $7,000,000 for each of three consecutive fiscal years beginning with the fiscal year for which funds are first appropriated and obligated by the Secretary of Agriculture carrying out this title."

By Mr. DOLE (for himself, Mr. ABOUREZK, Mr. AIKEN, Mr. BARTLETT, Mr. BENTSEN, Mr. BURDICK, Mr. CLARK, Mr. CURTIS, Mr. EASTLAND, Mr. HANSEN, Mr. HUGHES, Mr. HRUSKA, Mr. MCGEE, Mr. MCGOVERN, Mr. PEARSON, Mr. PERCY, Mr. TALMADGE, Mr. TOWER, and Mr. YOUNG):

S. 1572. A bill to provide equity in the feed grain set-aside program by allowing participants in plan B to switch to plan A. Referred to the Committee on Agriculture and Forestry.

FEED GRAIN PROGRAM

Mr. DOLE. Mr. President, today I am introducing a bill that will correct an inequity in a recent announcement by the Department of Agriculture. The inequity was in changes of the provisions of the 1973 feed grain program that reduced the set-aside requirement.

I ask unanimous consent that the chronology of the announcements of the 1973 feed grain program and certain letters be inserted in the RECORD.

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

CHRONOLOGY OF ANNOUNCEMENTS ON THE 1973 FEED GRAIN PROGRAM AS IT RELATES TO CORN

DECEMBER 11, 1972—FIRST ANNOUNCEMENT

Set-aside requirements and payments

Option 1—30 percent of base, no other restriction on planting, 35 cents per bushel.

Option 2—15 percent of base, planting limited to acreage planted in 1972, 24 cents per bushel.

JANUARY 31, 1973—SECOND ANNOUNCEMENT

Set-aside requirements and payments

Option 1—30 percent set-aside, reduced to 25 percent, no other restriction on planting, 35 cents reduced to 32 cents per bushel.

Option 2—15 percent set-aside, reduced to 0 percent, planting limited to acreage planted in 1972, 24 cents payment reduced to 15 cents.

The second announcement also pointed out that this change would make available for planting about 20 million more acres this year than last.

MARCH 26, 1973—THIRD ANNOUNCEMENT

Set-aside requirement and payments

Option 1—25 percent set-aside, reduced to 10 percent, no other restriction on planting, payment remains at 32 cents per bushel.

Option 2—Zero set-aside remains, planting limited to acreage planted in 1972, payment remains at 15 cents per bushel.

No enrollment changes will be permitted in the feed grain program.

The third announcement also pointed out that this change would make available for planting an additional 13.5 million acres.

HIAWATHA, KANS.,
March 28, 1973.

U.S. Senator BOB DOLE,
New Senate Office Building,
Washington, D.C.

DEAR SIR: This letter to you is about the injustice performed on the last change of the farm program. It is my understanding that those who signed up 25% have now been reduced to 10% with the total payment to be paid to them. In other words, the farmer who signed 25% will now draw $150 to $175 an acre opposed to those people who sign zero %, will get $45.00–$60.00 an acre. I also understand that the sign up will *not* be opened up for the zero %. This is a crooked injustice to those who signed zero %. The Gov't pressed for the zero %, the word was passed down to the County level to push for the zero %. Now those that did the Gov't bidding are nothing but assess, also he has been beaten out of thousands of dollars.

I would like to know one thing, why can't the Gov't be fair in its dealings?"

You know our Gov't works because of the faith people have in it. This sort of thing kills all respect one can muster for our Republican Party and the Gov't.

Would you please look into this, as it concerns 17% of those who signed up in the farm program this year. The people who sign up zero % should have the opportunity to change to the 10% program, after all the 10% program was not available when he signed up for the program so why should he be penalized?

Yours truly,

ROBERT J. HOWARD.

MCDONALD FARM,
Williamsburg, Kans., April 2, 1973.

Senator BOB DOLE,
Washington, D.C.

DEAR SENATOR DOLE: The small farmers in this area are quite concerned about the change in Feed Grain payments that occurred this past week. Specifically, I am referring to the change that allows farmers who signed up for 25% to conserve 10% and still get paid for 25%.

In my case, with a 62-acre corn base:

If I left out 25%, I would receive $634.88 for 15.5 acres; if I left out 0%, I would receive $297.60; and $337.28 for conserving 15.5 acres or $21.76/acre.

I signed up for 0% because I thought my land was worth more than $21.76/acre rent. However, with the recent change in program, if I would have had to leave out 10% or 6.2 acres for the $337.28, I would have received about $54.40/acre which anyone would accept.

To be fair, I think the sign-up should be reopened for 10 days so that the ones like myself could have a chance to change to a more profitable program if they desired. Clearly, the way the change was initiated is similar to changing the rules of the game in mid-stream and penalizing those farmers who followed the administration's plea for increased production.

Our entire family of five and a son-in-law voted for President Nixon last election *but* we are disappointed with some of the recent National level decisions including the recent meat price ceiling.

Sincerely,

HAROLD J. MCDONALD.

Mr. DOLE. Mr. President, the first announcement of program provisions was made in December and those provisions were revised January 31, and were in effect until the deadline for sign-up March 16. The program offered farmers two options: (A) to set aside 25 percent of their feed grain base and receive a payment of 32 cents per bushel, or (B) to set aside 0 percent—or no acres—and receive 15 cents per bushel payment.

Because of adverse weather this past winter, increased export sales, and increased demand for livestock feed, many feed grain farmers elected the zero option, and were astounded when the change in program was announced March 26 that the first option requirement was reduced from 25 percent to 10 percent and the payment remained the same, and not allowing any changes in enrollment in the program that had closed March 16.

Mr. President, we must maintain equality in the administration of Federal programs. This change in the feed grain program is not equitable and the bill I am introducing today would reopen the enrollment in the feed grain program for 14 days following enactment to allow farmers to change their enrollment to the 10-percent set-aside option.

Planting of these grains will commence as soon as the snow melts and weather permits, so passage of this legislation is needed immediately and I ask my colleagues to give it prompt and favorable consideration.

Mr. ABOUREZK. Mr. President, despite all the headlines about record farm incomes, the fact is that realized net farm income in 1972 was only 21 percent above 1948. Most employees, by comparison, found their compensation up 400 percent. The farmers share of the retail cost for a market basket of farm food products has actually declined by 16 percent since 1948.

This, however, is not the story you hear from the Department of Agriculture. When I see actions on the part of the USDA such as their recent change in the set-aside program, I wonder if this is really the Federal agency that is supposed to be the farmers' friend.

The decision to lower the set-aside requirements for options A from 25 to 10 percent with the same benefits is certainly advantageous for those who have already signed up for this option. It is also clearly in keeping with the policy of the administration to maximize production.

I certainly hope that those who participate in option A will benefit from this change. It seems evident that they will. However, this still leaves the question of those who signed up under option B.

Frankly, Mr. President, it strikes me that these people are being treated very unfairly. I expressed my opinion on this in a recent letter to Secretary of Agriculture Earl Butz. Incidentally, I have not yet received a response to this letter. I do, however, Mr. President, ask unanimous consent that my letter to Mr. Butz be printed in the RECORD at this point.

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

U.S. SENATE,
Washington, D.C., April 2, 1973.

Hon. EARL BUTZ,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I am deeply disturbed by the inequity created by the recent decision to allow individuals who had originally signed with ASCS for a 25% set-aside program to receive the same benefits while using only 10% set-aside. The inequity, of course, affects those who had originally opted for 0% set-aside.

It does not seem fair that these individuals are not allowed to reassess their decision in light of the changed program. It is particularly ironic that those who opted for 0% were the individuals who were acting in the manner which the USDA apparently preferred. There is even suggestions that USDA made serious efforts to pursuade as many people as possible to follow the 0% option.

In light of these considerations, I would hope that the Department will allow those individuals to reconsider the program under which they would chose to operate. Fairness demands no less.

Sincerely,

JAMES ABOUREZK,
U.S. Senator.

Mr. ABOUREZK. Mr. President, it is my understanding that Mr. Kenneth Frick, Administrator of the Agricultural Stabilization and Conservation Service, when asked if farmers who signed up under option B might feel betrayed and consequently might not participate in future programs, replied that he hoped they would not.

Well, Mr. President, I have a copy of another letter directed to Mr. Butz from a farmer in South Dakota. He had signed up for option B and makes his opinion of the action of USDA very clear. He states that—

He was planning on building another feed lot this next year, but I think I'll wait to see if there are going to be any more surprises.

I do not blame him for that decision, but its impact on the policy of the USDA in trying to maximize production is evident. If the farmers cannot trust the Government, their incentive to help that government is greatly reduced.

Mr. President, I ask unanimous consent that this letter from Mr. Les Zeller of Vermillion, S. Dak., be printed in the RECORD at this point.

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

VERMILLION, S. DAK.,
April 2, 1973.

Mr. EARL BUTZ,
Secretary of Agriculture,
Washington, D.C.

DEAR SIR: I am writing as a farmer to protest what the government has done to my business this past week.

March 15 was the final date for signing up in the ASC program. We were given two choices—zero per cent or 25 per cent. At the time you were asking for more production of soybeans. I chose zero per cent and signed a contract in good faith. A week later the rules were changed. The farmer who signed up for 25 per cent now only needs to retire 10 per cent and still receives payment for 25 per cent. Those of us who signed up for zero per cent receive half as much and must plant the extra acreage in order to increase production as you requested.

This is my situation:

I have a 600 acre corn base which 10 per cent retired would be 60 acres and ASC payment would be	$7,942.40
Zero per cent retired	3,723.00
Difference	$4,219.40
If 60 acres of beans yield 25 bu. at $3	$4,500.00
Cost of production:	
Seed—$8 per acre	480.00
Herbicide—$7 per acre	420.00
Fertilizer—$10 per acre	600.00
Harvesting—$7 per acre	420.00
Costs	1,920.00

This, of course, does not include the planting, cultivating and extra labor. As you can see, by planting the acreage to beans I will receive $2,580.00 before deducting my labor, fuel and depreciation versus receiving $4,219.40 for signing up for 25 per cent without any labor or costs. I also stand a chance of being hailed out, drowned out or dried out. I have had all three happen to me in one year.

I also feed cattle, approximately 2,000 head per year. One month to six weeks ago President Nixon, the Secretary of Agriculture, Earl Butz, and the Secretary of the Treasury, George Shultz, said a ceiling on beef was unworkable and this was not going to be done.

Last week President Nixon announced that a ceiling has been placed on dressed beef. Today's news release in the Sioux City Journal states that Iowa Beef Pack will lay off over four hundred people in their beef kill until live prices are forced down. You want cheap meat and are putting the entire cost of reduction on the farmer. The retailer and the packer will continue to make their profit and the cattleman will take anywhere from $2.00 to $4.00 per hundred weight reduction. This will amount to $20.00 to $40.00 per head.

Less than one month ago replacement cattle weighing 600 pounds were costing sixty cents per pound delivered to the feed lot. Due to weather conditions and muddy yards my cost of grain has doubled—This I won't blame on the government. It's just one of the hazards of this business.

I don't suppose the government plans to place a floor under beef prices so that I can be assured I won't lose money, but they have decided to restrict my profits in what should be a free and open market.

I have been reading a number of articles in Farm magazines about how managerial ability will determine the success of a farmer-feeder. My inability to outguess what the government will do to my business puts me at a definite disadvantage. Trying to outguess the weather is bad enough. It seems I am going to have my 1973 income cut away down by two decisions made in Washington this past week.

I am fifty-eight years old and was planning on building another feed lot this next year, but I think I'll wait to see if there are going to be any more surprises. If I were smart I'd sell out, but I can't find any young men that want to get into this business.

Incidentally, I was one of the people that sent out letters to farmers and ranchers in this area proclaiming the Nixon-Butz team for agriculture. To say the least, my faith has been somewhat shaken in the past week.

I am sure a letter from one farmer will not change anything but at least I will feel better having told our side of the story.

Very truly yours,

L. L. ZELLER.

Mr. ABOUREZK. Mr. President, it is for these reasons that I am supporting the efforts of Senators DOLE, CLARK, and others in seeking a correction of what I feel is a gross inequity created by the Department of Agriculture.

Those who signed up for option B should either have some opportunity to reevaluate their decision in light of the changed conditions brought about by the changed policy or the policy should be changed so that those who chose the B option can receive benefits comparable to those under option A. It is only fair.

Mr. TOWER. Mr. President, today I join the Senator from Kansas (Mr. DOLE) in sponsoring legislation which would extend the sign-up period for feed grain producers for 14 days after enactment of the legislation. On March 26, the Department of Agriculture announced a change in the two options open to feed grain producers for participation in the 1973 program. The change was made after the final date for farmer sign up. Had farmers known about the change in requirements before sign up, many possibly would have chosen a different option.

I feel it only fair to extend the opportunity for participation to these farmers, giving them ample opportunity to choose the program which would be best suited to their individual operations. Many of the feed grain producers in Texas have expressed an interest in seeing an extension of the sign up period to make the necessary changes to comply with the announced program change by the Department of Agriculture.

There may be only a few of the total number of producers who elect to change their participation if this legislation is passed; however, I feel it necessary to provide this option for change in view of the fact that the program was changed after sign up.

Mr. President, I urge expeditious consideration and passage of this measure by the Congress.

By Mr. THURMOND:

S. 1573. A bill to amend title 10, United States Code, to change the method of computing retired pay of certain enlisted members of the Army, Navy, Air Force, and Marine Corps. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, the legislation I am proposing today is designed to amend Title 10 of the United States Code for the purpose of altering the method of computing retired pay of

certain enlisted members of the military services.

At present there is an inequity in the military retirement laws in that officers after at least 20 years of active service are allowed credit for certain service in the National Guard and Reserve while enlisted men are denied credit for the same service.

Under present laws a regular enlisted member of the Army, Navy, Air Force, or Marine Corps who retires may use only his years of active service to compute his retired pay, whereas a commissioned officer may use all his years of service, active and reserve, prior to June 1, 1958, in computing his retired pay.

It should be noted that the Special House Subcommittee on Retired-Pay Revisions, in its report issued December 29, 1972, recommended in favor of this legislation. The Senate must realize that commitments and requirements for the enlisted member of the Reserve or Guard are almost identical to that of the officer. Both are subject to recall and many were ordered to active duty for the Korean and Vietnam wars and for the Berlin crisis.

The only difference between service for the enlisted individual and the officer is responsibility in command duties. In this area the officer has always been rewarded through superior grade positions and increases in basic pay.

A further example of this inequity may be illustrated by the point that if the enlisted guardsman or reservist became a commissioned officer during his service he was rewarded with additional retired pay based on service in the Guard or Reserve, whereas the enlisted counterpart was not so rewarded.

Mr. President, in introducing this legislation it is my hope that the Senate will act speedily in correcting the present inequity.

By Mr. BEALL:

S. 1574. A bill to amend title 38, United States Code, to permit certain veterans' benefits to be paid for the month in which a veteran dies. Referred to the Committee on Veterans' Affairs.

Mr. BEALL. Mr. President, I send to the desk a bill which resulted from a letter I received from a constituent, a widow of a totally disabled World War II veteran.

Mrs. Zelda Seideman of Baltimore wrote me regarding what she called "an unconscionable regulation of the Veterans' Administration is that the monthly benefits due for the month in which the veteran died is withheld unless the veteran's death is known to be service-connected."

The facts of this particular case illustrate the need for the change in law which I propose. Mrs. Seideman's husband, as result of his service-connected disability, was receiving compensation for his disability which was 100 percent disabling. The husband died on May 31, 1971, the last day of the month. While the veterans disability was service connected, his death, according to the Veterans' Administration, was nonservice connected, although the wife contends otherwise.

Because the husband was not alive on the first day of June, the wife had to return the May check to the Veterans' Administration.

As Mrs. Seideman said in her letter to me:

> In our case, although my beloved husband lived to the 31st day of the month, and the money was owed because the Veterans Administration pays at the close of the month rather than in advance, I was instructed to return the check because he was not alive on June 1 to receive it. Since my husband's expenses continued through the month of May, and I might add because he was so ill, they were extremely heavy, I was not allowed to use the check for his debts in that month even though the benefit had accrued to him.

Mr. President, this inequity exists because under present law a veterans' entitlement to disability benefits terminate the first day of the month in which his death occurs.

Mr. President, it seems to me that this Nation owes a tremendous debt to its veterans and their widows. I think this is particularly true when the veteran is disabled. In any event, I believe it is unconscionable for a government of the country whose freedom and prosperity has been protected by the veterans' service, to deny benefits that actually had accrued based on the date of death. On the contrary, I believe that the statute should be weighed in favor of the veteran rather than against him. Therefore, my amendment would change the law so that to pay the widow of the veteran for the month in which the death occurred.

By Mr. BAYH (for himself, Mr. HART, Mr. NELSON, Mr. RANDOLPH, and Mr. PASTORE):

S. 1578. A bill to provide for a national program of disaster insurance. Referred to the Committee on Banking, Housing and Urban Affairs.

FEDERAL DISASTER INSURANCE ACT OF 1973

Mr. BAYH. Mr. President, as our land becomes more heavily populated and the property on it more valuable, the cost to the Nation of natural disasters must inevitably increase. That is a simple fact, and nothing short of changing the laws of nature will alter it.

The American people, acting through their Government, have taken steps to aid the victims of such disasters. For nearly a quarter of a century, Congress has enacted a variety of measures designed to ease the financial sufferings of our citizens whose property has been destroyed by floods, hurricanes, tornados, earthquakes and other natural catastrophes. As the need has increased, so too has the Federal Government's contributions.

But the time is rapidly approaching, if it has not already arrived, when ad hoc relief measures will become both too expensive and too limited to serve our national purpose. Consider that, from 1961 to 1972, there have been 257 Presidentially declared "disasters"—but 65, or one-fourth, of them occurred in just the past 2 years. And in 1972 alone, with 48 disasters, the property loss is estimated to have been $3.5 billion.

As the financial burdens on both private citizens and Government continue to mount, we have, it seems to me, three possible courses of action open to us. We can continue doing what we have been doing—responding to crises on an ad hoc basis. We can get the Federal Government out of the disaster relief business altogether, leaving it to State and local governments and to the private insurance industry. Or we can establish, as I have urged in the past and do so now again, a comprehensive system of Federal disaster insurance that would enable citizens to buy their own financial protection on a sound actuarial basis.

The bill I introduce today, Mr. President, embodies this last alternative. I submit it in the belief that the other two alternatives are unsatisfactory—the first increasingly so, the second entirely so. Let me explain why.

I have already cited the alarming statistics pointing up the greatly increased costs of natural disasters. While the incidence of death, fortunately, has declined over the years, dollar costs have soared. This is because of the trend toward dense concentrations of residential, commercial and industrial property in small areas, along with a sharp appreciation of property values generally. To cite a dramatic illustration of the changing character of the costs of natural disasters, the terrible Galveston flood at the turn of the century took 6,000 lives with an estimated property loss of only $30 million; but Hurricane Agnes in 1971 took 122 lives while producing property losses of around $3.5 billion. And 2 years earlier, Hurricane Camille caused almost twice as many deaths—250—but only half the property loss—$1.5 billion.

We all hope and pray that this downward trend in deaths caused by natural disasters will continue; but we would be ill-advised to rely on hope and prayer to reverse the upward trend in financial costs.

In response to these increased costs, the Federal Government has enacted a number of measures to provide direct assistance to the disaster victim. These include long-term, low-interest loans, emergency housing, special unemployment compensation, food stamps, restoration of public facilities, and certain other subsidies. Congress, however, at administration urging, has just abolished one important feature of the Federal disaster relief program—the $5,000 forgiveness on loans under the Emergency Loan Act—and drastically revised another, by raising the interest rate from 1 percent to 5 percent. So what had been a fairly generous hodgepodge has now been reduced to a fairly mean hodgepodge.

To the extent that we move toward other such "economies," we move in the direction of the second alternative, which is to get the Federal Government out of the disaster relief business altogether.

Let me say bluntly, Mr. President, that I do not believe the American people will stand for this sort of 19th century, devil-take-the-hindmost approach to human tragedy. Having spent hundreds of billions of dollars in the past quarter century to help the unfortunate people of almost every other country in the world, we are not now going to turn our collective back on our own.

The States and localities cannot do the job because they simply do not have the fiscal resources; nor can any practicable level of revenue sharing bring their resources up to the level of need. And the private insurance industry has thus far been unable or unwilling to provide the public with broad-enough affordable coverage. Let me try to put this part of the problem in perspective.

The salient point about private insurance plans is that although damages from a variety of causes such as fire, windstorm, hail, and so forth, are covered by comprehensive casualty insurance, other causes such as floods, mud slides, high waves and wind-driven waters are usually not covered. In recent years the FAIR—fair access to insurance requirements—plan, the Beach plan, and the national flood insurance program have made additional coverage available for types of losses which were previously difficult if not impossible to insure. But we are still far from a system of comprehensive disaster insurance coverage.

The Office of Emergency Preparedness put the point forcefully in its "Report to the Congress" of January, 1972. We are told:

> With the exception of Hurricane Celia, insured losses (in a group of selected disasters) were consistently less than half.

For all these reasons I am convinced that we must reject the alternative of doing approximately what we have done in the past, as well as the alternative of getting the Federal Government out of the disaster relief business altogether. Instead, I believe, we must move toward a system of federally sponsored comprehensive all-disaster risk insurance which could be made available in a comparatively short time to property owners in all parts of the country. As I shall now explain in some detail, that is what my bill would do.

To be successful, disaster insurance must have widespread applications and must be offered at premium rates which are not inordinately expensive. With these premises in mind, the bill—section 15—would blanket into the proposed new national disaster insurance system all residential or other structures encumbered by loans or mortgages which have been guaranteed or insured by the Federal Housing Administration, the Veterans' Administration, or any other Federal agency. This would provide a sizable base upon which the program could be founded from the beginning. Second, as will be explained, the structure would be devised so as to attract into the system homeowners who would not be included automatically under the above provision. Third, further additional impetus to join would be provided by the outright denial—section 13—of any other Federal financial assistance to any owner of real property for damage to his property in a disaster, to the extent the loss could have been covered by a valid claim under disaster insurance made available at least 1 year prior to the disaster. It is believed that these three factors—mandatory inclusion of Federal insured mortgagors, minimal rates, and advance warning to nonparticipants of ineligibility for other Federal aid—would be sufficient to assure that within a reasonable period of time most homeowners throughout the Nation would be encompassed by the program.

The Secretary of Housing and Urban Development would be authorized—section 4—to establish and carry out the national disaster insurance system. He would be directed, to the maximum extent possible, to encourage and arrange for the financial participation and risk sharing in the program by private insurance companies or other insurers. It should be noted also that the Secretary would be empowered to define disaster for purpose of insurance, which would permit the inclusion of damages wrought by catastrophes which were lesser in scope than those declared to be "major disasters" by the President.

Priority would have to be given—section 5—to the coverage of residential properties housing from one to four families, but, if appropriate studies and investigations demonstrated that it would be feasible, the Secretary could extend disaster insurance to other residential, business, agricultural, nonprofit, or public properties.

The Secretary would provide by regulation for the general terms and conditions of insurability which would apply to disaster insurance. These would include such matters as the types, classes, and locations of properties, the nature and limits of loss to be covered, the classification, limitation, and rejection of risks, minimum premiums, loss deductibles, and any other necessary terms or conditions.

Coverage provided by the bill would be divided into two categories: First, a basic minimum amount, the premiums for which could be fixed by the Secretary at a rate below established costs; second, amounts above the basic minimum, which would be charged at rates not less than those estimated to be needed for all costs of providing that protection.

The basic coverage for residential properties housing up to four families would be $25,000 aggregate liability for any single dwelling unit, $50,000 for any structure containing more than one dwelling, and $8,000 aggregate liability for the contents of any dwelling unit. If the Secretary should declare other types of property to be eligible for disaster insurance, any single structure in those specified categories would have an aggregate liability of $50,000.

The Secretary would be authorized—section 7—to make studies and investigations which would enable him to estimate what the risk premium rates would be for various areas based on actuarial principles, operating costs, and administrative expenses. He would also be directed to estimate what level of rates would be reasonable, would encourage prospective insurers to purchase disaster insurance, and would be consistent with the purposes of the act.

Based on the above information, and after consultation with the Director, the Secretary would—section 8—from time to time prescribe by regulations the chargeable premium rates for all types and classes of property for which disaster insurance is made available. He could if necessary fix the premium rates for the basic property values covered—noted above—at less than the estimated risk premium rates. Otherwise, the rates would have to be based, insofar as practicable, on the respective risks involved and would have to be adequate to provide reserves for anticipated losses. If the rates were fixed at a lower amount, they would have to be consistent with the objective of making disaster insurance available at reasonable rates in order to encourage its purchase by homeowners and others.

To provide working capital for the national disaster insurance program, the Secretary would be authorized—section 9—with the approval of the Secretary of the Treasury, to issue notes or other obligations in an amount not exceeding $800 million. The Secretary of the Treasury would determine the rate of interest for these notes or obligations, and would be authorized to purchase or sell them as public debt transactions.

The Secretary would also be authorized—section 10—to establish in the Treasury of the United States the national disaster insurance fund from which would be paid all claims, expenses, administrative cost, and debt redemption of the disaster insurance programs. The fund would be the repository for all funds which might be borrowed, appropriated by Congress, earned as interest on investments, derived from premiums, or received from other operations. If the Secretary should determine that the fund total would be in excess of current needs, he could request the Secretary of the Treasury to invest the amounts which the latter deemed advisable in obligations issued or guaranteed by the United States.

Claims for losses would be adjusted and paid for according to rules which the Secretary would be authorized—section 11—to prescribe. It would also be his duty—section 12—to inform the general public and any State or local official about the extent, objectives, and premium rates of the national disaster insurance system, including the basis for and the differences between the rates for the two categories of coverage.

As pointed out previously, the bill would prohibit—section 13—Federal disaster assistance to any eligible property owner for a real property loss to the extent that such loss would be either covered by a valid claim or could have been covered by a valid claim under disaster insurance which had been made available in his area at least 1 year prior to the occurrence of the damage. On the surface, this may appear to be a harsh provision, but it seems to me that it is essential if the program is to be made workable on a national basis without exorbitant rates for participants. If disaster insurance is provided for any area, an eligible property owner would have a grace period of 1 full year in which to secure protection; subsequently, he would have to absorb any loss caused by a disaster unless he had taken advantage of the insurance opportunity provided him. It should be noted that this caveat applies only to the owners of real property and does not exclude other types of Federal assistance such as loans for any amount of loss not recovered by disaster

insurance or for the loss of personal property.

To prevent structures being rebuilt in areas which have proven to be disaster-prone, the bill would prohibit—section 14—issuing new disaster insurance coverage for any property which the Secretary finds has been declared by a State or local government to be in violation of State or local laws, regulations, and ordinances intended to prevent land development or occupancy in those areas. In order that the disaster insurance system would be coordinated with other programs, the Secretary and the Director would be instructed—section 15(a)—to coordinate the administration of disaster insurance with the authority conferred on him by the National Flood Insurance Act of 1968. He also would be directed—section 15(b)—to consult with other Federal, State, and local government departments and agencies having responsibility for disaster assistance. If any controversy should arise over the validity of any order issued under the act, provision is made for judicial review at the request of a petitioner within 60 days after the order would be made.

In general, the national disaster insurance system would be designed to provide basic, minimum protection against disaster losses to most homeowners and possibly to other property holders as well. It would enable them to contract in advance at reasonable cost for coverage not now widely available which would assure at least partial compensation for dwellings, other structures, and personal property damaged or destroyed by disasters. I believe that the American people on the whole would support a program whereby they could, through a contributory system, help share in the heavy burden which inevitably will fall on those unfortunate enough to be caught in the maelstrom of a natural catastrophe. Although the insurance plan may have certain unknown defects or omissions which will have to be corrected, it should provide a pattern for further discussion and the basis for a perfected program.

It would, perhaps, be preferable if satisfactory, sensibly priced insurance coverage against damages to private property caused by disasters could be established by the insurance industry. In view of the nature and size of the risk involved, some kind of national reinsurance or subsidy might be necessary to induce private insurance companies to embark on such a venture. Any reasonable proposal which insurance representatives might make for a joint approach involving Government participation in an industry-managed disaster insurance system would be welcome. I believe that Congress would give serious attention to such a plan.

My bill provides a period of more than a year in which the insurance industry could develop an acceptable program. However, unless the Secretary of Housing and Urban Development should determine and certify to the President and Congress not later than June 30, 1975, that private insurance companies have made available on reasonable terms disaster insurance with coverage equal to or more extensive than that proposed in the bill, the Secretary would be directed to establish a national disaster insurance program. Although delays in the legislative process might make the above date unrealistic, it could be extended easily if chances appeared to be good that such a program would indeed become a reality. Without such a deadline, however, little progress might be made; in any event it may well be necessary to institute an all-Federal program.

Mr. President, I ask unanimous consent that the full text of the bill and a section-by-section analysis be printed in the RECORD at the conclusion of my remarks.

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

S. 1578

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 "Federal Disaster Insurance Act of 1973".

PURPOSE

SEC. 2. It is the purpose of this Act to provide for a Federal insurance program covering property loss or damage resulting from a disaster if such insurance is not made available to the public at reasonable rates by the insurance industry.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "disaster" means any flood, high waters, wind-driven waters, tidal wave, drought, hurricane, tornado, earthquake, storm, or other catastrophe as defined by the Secretary in regulations issued pursuant to this Act;

(2) "United States" means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Canal Zone;

(3) "State" means each of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Canal Zone;

(4) "Governor" means the chief executive of any State; and

(5) "Secretary" means the Secretary of Housing and Urban Development.

BASIC AUTHORITY

SEC. 4. (a) The Secretary is authorized to establish and carry out a disaster insurance program which will enable interested persons to purchase insurance against loss resulting from physical damage to or loss of real property and personal property related thereto arising from any disaster occurring in the United States.

(b) In carrying out the disaster insurance program the Secretary shall, to the maximum extent practicable, encourage and arrange for—

(1) appropriate financial participation and risk-sharing in the program by insurance companies or other insurers; and

(2) other appropriate participation on other than a risk-sharing basis by insurance companies or other insurers, insurance agents and brokers, and insurance adjustment organizations.

SCOPE OF PROGRAM

SEC. 5. (a) In carrying out the disaster insurance program the Secretary shall initially make disaster insurance available to cover residential properties which are designed for the occupancy of from one to four families.

(b) If on the basis of—

(1) studies and investigations undertaken and carried out and information received or exchanged under section 7, and

(2) such other information as may be necessary, the Secretary determines that it would be feasible to extend the disaster insurance program to cover other properties, he may take such action under this Act as may be necessary in order to make disaster insurance available to cover, on such basis as may be feasible, any types and classes of—

(A) other residential properties;

(B) business properties;

(C) agricultural properties;

(D) properties occupied by private nonprofit organizations; and

(E) properties owned by State and local governments and agencies thereof.

Any such extensions of the program to any types and classes of such properties shall be established by order.

NATURE AND LIMITATION OF INSURANCE COVERAGE

SEC. 6. (a) The Secretary shall, after consultation with appropriate representatives of the insurance authorities of the respective States, provide by order for general terms and conditions of insurability which shall be applicable to properties eligible for disaster insurance coverage under section 5, including—

(1) the types, classes, and locations of any such properties which shall be eligible for disaster insurance;

(2) the nature of and limits of loss or damage in any areas (or subdivisions thereof) which may be covered by such insurance;

(3) the classification, limitation, and rejection of any risks which may be necessary;

(4) appropriate minimum premiums;

(5) appropriate loss-deductibles; and

(6) any other terms and conditions relating to insurance coverage or exclusion which may be necessary to carry out the provisions of this Act.

(b) In addition to any other terms and conditions under subsection (a), such orders shall provide that—

(1) any disaster insurance coverage based on chargeable premium rates (under section 8) which are less than estimated premium rates (under section 7(a)(1)), shall not exceed—

A) in the case of residential properties which are designed for the occupancy of from one to four families;

i) $25,000 aggregate liability for any dwelling unit, and $50,000 for any single dwelling structure containing more than one dwelling unit; and

ii) $8,000 aggregate liability per dwelling unit for any personal property related thereto; and

(B) in the case of any other properties which may become eligible for disaster insurance coverage under section 5, $50,000 aggregate liability for any single structure; and

(2) any disaster insurance coverage which may be made available in excess of any of the limits specified in subparagraph (1) (A) and (B) of this subsection shall be based only on chargeable premium rates (under section 8) which are not less than estimated premium rates (under section 7(a)(1)).

ESTIMATES OF PREMIUM RATES

SEC. 7. (a) The Secretary is authorized to undertake and carry out such studies and investigations and to receive or exchange such information as may be necessary to estimate on an area, subdivision, or other appropriate basis—

(1) the risk premium rates for disaster insurance which—

(A) based on consideration of the risk involved and accepted actuarial principles, and

(B) including—

(i) applicable operating costs and allowances which, in his discretion, should properly be reflected in such rates, and

(ii) any administrative expenses (or portion of such expenses) of carrying out the disaster insurance program which, in his discretion, should properly be reflected in such rates,

would be required in order to make such insurance available on an actuarial basis for any types and classes of properties for which insurance coverage shall be available under section 5, and

(2) the rates, if less than the rates estimated under paragraph (1) which would encourage prospective insureds to purchase disaster insurance, and would be consistent with the purposes of this Act.

(b) In carrying out subsection (a), the Secretary shall, to the maximum extent feasible and on a reimbursement basis, utilize the services of the Department of the Army, the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Tennessee Valley Authority, and, as appropriate, other Federal departments or agencies, and for such purposes, may enter into contracts or other appropriate arrangements with any person.

ESTABLISHMENT OF CHARGEABLE PREMIUM RATES

SEC. 8. (a) On the basis of estimates made under section 7 and such other information as may be necessary, the Secretary from time to time shall, after consultation with appropriate representatives of the insurance authorities of the respective States, by order prescribe—

(1) chargeable premium rates for any types and classes of properties for which insurance coverage shall be available under section 5 (at less than the estimated risk premium rates under section 7(a)(1), if necessary), and

(2) the terms and conditions under which and areas (including subdivisions thereof) within which such rates shall apply.

(b) Such rates shall, insofar as practicable, be—

(1) based on a consideration of the respective risks involved,

(2) adequate, on the basis of accepted actuarial principles, to provide reserves for anticipated losses, or, if less than such amount, consistent with the objective of making disaster insurance available, where necessary, at reasonable rates so as to encourage prospective insureds to purchase such insurance, and

(3) stated so as to reflect the basis for such rates, including the differences (if any) between the estimated risk premium rates under paragraph (1) of section 7(a), and the estimated rates under paragraph (2) of such section.

(c) If any chargeable premium rate prescribed under this section—

(1) is at a rate which is not less than the estimated risk premium rate under section 7(a)(1), and

(2) includes any amount for administrative expenses of carrying out the disaster insurance programs which have been estimated under clause (ii) of section 7(a)(1)(B),

a sum equal to such amount shall be paid to the Secretary, and he shall deposit such sum in the fund authorized under section 10.

TREASURY BORROWING AUTHORITY

SEC. 9. (a) The Secretary is authorized to issue to the Secretary of the Treasury from time to time and have outstanding at any one time, in an amount not exceeding $800,000,000 (or such greater amount as may be approved by the President), notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on the outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations to be issued under this subsection, and for such purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and obligations.

The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

(b) Any funds borrowed by the Secretary under this authority shall, from time to time, be deposited in the disaster insurance fund established under section 10.

DISASTER INSURANCE FUND

SEC. 10. (a) To carry out the disaster insurance program authorized by this Act, the Secretary is authorized to establish in the Treasury of the United States a disaster insurance fund which shall be available, without fiscal year limitation—

(1) to repay to the Secretary of the Treasury such sums as may be borrowed from him (together with interest) in accordance with the authority provided in section 9 of this title; and

(2) to pay such administrative expenses (or portion of such expenses) of carrying out the disaster insurance program as he may deem necessary; and

(3) to pay claims and other expenses and costs of the disaster insurance program, as the Secretary deems necessary.

(b) The fund shall be credited with—

(1) such funds borrowed in accordance with the authority provided in section 9 of this Act as may from time to time be deposited in the fund;

(2) such amounts as may be advanced to the fund from appropriations in order to maintain the fund in an operative condition adequate to meet its liabilities;

(3) interest which may be earned on investments of the fund pursuant to subsection (c);

(4) such sums as are required to be paid to the Secretary under section 8(c); and

(5) receipts from any other operations under this Act which may be credited to the fund (including premiums and salvage proceeds, if any, resulting from reinsurance coverage).

(c) If, after all outstanding obligations have been liquidated, the Secretary determines that the moneys of the fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations issued or guaranteed by the United States.

PAYMENT OF CLAIMS

SEC. 11. The Secretary is authorized to issue orders establishing the general method or methods by which proved and approved claims for losses may be adjusted and paid for any damage to or loss of property which is covered by disaster insurance made available under the provisions of this Act.

DISSEMINATION OF DISASTER INSURANCE INFORMATION

SEC. 12. The Secretary shall take such action as may be necessary in order to make information and data available to the public and to any State or local agency or official, with regard to—

(1) the disaster insurance program, its coverage and objectives, and

(2) estimated and chargeable disaster insurance premium rates, including the basis for and differences between such rates in accordance with the provisions of section 8.

PROHIBITION AGAINST CERTAIN DUPLICATIONS OF BENEFITS

SEC. 13 (a) Notwithstanding the provisions of any other law, no Federal disaster assistance shall be made available to any owner of real property for the physical loss, destruction, or damage of such property, to the extent that such loss, destruction, or damage—

(1) is covered by a valid claim which may be adjusted and paid under disaster insurance made available under the authority of this Act, or

(2) could have been covered by a valid claim under disaster insurance which had been made available under the authority of this Act, if—

(A) such loss, destruction, or damage occurred subsequent to one year following the date disaster insurance was made available in the area (or subdivision thereof) in which such property or the major part thereof was located, and

(B) such property was eligible for disaster insurance under this Act at that date,

and in such circumstances the extent that such loss, destruction, or damage could have been covered shall be presumed (for purposes of this subsection) to be an amount not less than the maximum limit of insurable loss or damage applicable to such property in such area (or subdivision thereof) at the time insurance was made available in such area (or subdivision thereof).

(b) For purposes of this section "Federal disaster assistance" shall include any Federal financial assistance which may be made available to any person as a result of—

(1) a major disaster proclaimed by the President,

(2) a natural disaster, as determined by the Secretary of Agriculture pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), and

(3) a disaster with respect to which loans may be made under section 7(b) of the Small Business Act, as amended (15 U.S.C. 636(b)).

PROPERTIES IN VIOLATION OF STATE AND LOCAL LAW

SEC. 14. No new disaster insurance coverage shall be provided under this Act for any property which the Secretary finds has been declared by a duly constituted State or local zoning authority, or other authorized public body, to be in violation of State or local laws, regulations, or ordinances which are intended to discourage or otherwise restrict land development or occupancy in disaster-prone areas.

COORDINATION WITH OTHER PROGRAMS

SEC. 15. (a) The Secretary shall coordinate the administration of this Act with the authority conferred on him by the National Flood Insurance Act of 1968.

(b) In carrying out this Act, the Secretary shall consult with other departments and agencies of the Federal Government, and interstate, State, and local agencies having responsibilities for disaster assistance in order to assure that the programs of such agencies and the disaster insurance program authorized under this Act are mutually consistent.

(c) The Veterans' Administration, the Federal Housing Administration, and any other Federal agency administering a program under which loans or mortgages on residential or other structures are guaranteed or insured by the Federal Government, shall, by regulation, require that any such structure be insured under the disaster insurance program administered by the Secretary.

TERMINATION OF AUTHORITY

SEC. 16. The Secretary shall not establish or carry out the disaster insurance program authorized by this Act if he finds and certifies to the President and the Congress not later

than June 30, 1975, that disaster insurance with coverage equal to or more extensive than that which would be provided under this Act has been made available on reasonable terms by private insurance companies. The provisions of this Act shall have no effect from and after such certification by the Secretary.

JUDICIAL REVIEW

SEC. 17. Orders under this Act shall be established and issued in accordance with the provisions of section 553 of title 5, United States Code. In case of controversy as to the validity of any such order, a person who is adversely affected thereby may, at any time prior to the sixtieth day after such order is issued, file a petition with the United States District Court for the District of Columbia for judicial review of such order in accordance with the provisions of chapter 7 of such title.

IMPLEMENTATION

SEC. 18. After such consultation with representatives of the insurance industry as may be necessary, the Secretary shall implement the disaster insurance program unless he has certified to the President under section 16 that such program is unnecessary. In implementing such program, the Secretary is authorized, to the extent not inconsistent with this Act, to establish an industry program for disaster insurance with Federal financial assistance or a Government program for disaster insurance with industry assistance in the same manner and under the same terms and conditions as he is authorized to establish programs under chapter II of the National Flood Insurance Act of 1968.

PAYMENTS

SEC. 19. Any payments under this Act may be made (after necessary adjustment on account of previously made underpayments or overpayments) in advance or by way of reimbursement, and in such installments and on such conditions, as the Secretary may determine.

GOVERNMENT CORPORATION CONTROL ACT

SEC. 20. The provisions of the Government Corporation Control Act shall apply to the program authorized under this Act to the same extent as they apply to wholly owned Government corporations.

FINALITY OF CERTAIN FINANCIAL TRANSACTIONS

SEC. 21. Notwithstanding the provisions of any other law—

(1) any financial transaction authorized to be carried out under this Act, and

(2) any payment authorized to be made or to be received in connection with any such financial transaction,

shall be final and conclusive upon all officers of the Government.

ADMINISTRATIVE EXPENSES

SEC. 22. Any administrative expenses which may be sustained by the Federal Government in carrying out the disaster insurance program authorized under this Act may be paid out of appropriated funds.

AUTHORIZATION OF APPROPRIATIONS

SEC. 23. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out this Act, including sums—

(1) to cover administrative expenses of carrying out the disaster insurance program;

(2) to cover reimbursement of premium equalization payments made from the disaster insurance fund and reinsurance claims paid under excess loss reinsurance coverage; and

(3) to make such other payments as may be necessary to carry out the purposes of this Act.

(b) All such sums shall be available without fiscal year limitation.

BRIEF SECTION-BY-SECTION ANALYSIS, FEDERAL DISASTER INSURANCE ACT OF 1973

TITLE

Section 1: The act could be cited as the Federal Disaster Insurance Act of 1973.

PURPOSE

Section 2: The purpose would be to provide for a Federal insurance program for disaster losses unless comparable coverage at reasonable rates is established by the insurance industry.

DEFINITIONS

Section 3: For the purposes of the act, the Secretary of Housing and Urban Development would be empowered to define the damages which would be included for insurance coverage, including that caused by floods, high waters, wind-driven waters, tidal waves, droughts, hurricanes, tornadoes, earthquakes, storms and other catastrophes.

All States, Territories and possessions of the United States would be subject to the provisions of the act.

BASIC AUTHORITY

Section 4: Unless a suitable program is established by the private insurance industry by June 30, 1975, the Secretary of HUD would be authorized to establish a national disaster insurance program to enable property owners to buy comprehensive disaster insurance.

SCOPE OF PROGRAM

Section 5: Dwellings in which are housed one to four families would be given priority for insurance. The Secretary would be authorized, however, to make disaster insurance available to other residential, business, agricultural, non-profit, and publicly owned properties if studies have deemed such insurance would be feasible.

NATURE AND LIMITATION OF INSURANCE COVERAGE

Section 6: The Secretary, after consultation with appropriate State insurance authorities, would issue regulations for disaster insurance pertaining to the classes of property, damage covered, classification of risks, premium amounts, loss-deductibles, and other matters. Coverage provided by the bill would be divided into two categories: first, a basic minimum amount, the premiums for which could be fixed by the Secretary at a rate below established costs; second, amounts above the basic minimum, which would be charged at rates not less than those estimated to be needed for all costs of providing that protection.

The basic coverage for residential properties housing up to four families would be $25,000 aggregate liability for any single dwelling unit, $50,000 for any structure containing more than one dwelling, and $8,000 aggregate liability for the contents of any dwelling unit. If the Secretary should declare other types of property to be eligible for disaster insurance, any single structure in those specified categories would have an aggregate liability of $50,000.

ESTIMATES OF PREMIUM RATES

Section 7: The Secretary would be authorized to make studies and investigations which would enable him to estimate what the risk premium rates would be for various areas based on actuarial principles, operating costs and administrative expenses. He would also be directed to estimate what level of rates would be reasonable, would encourage prospective insurers to purchase disaster insurance, and would be consistent with the purposes of the act.

ESTABLISHMENT OF CHARGEABLE PREMIUM RATES

Section 8: The Secretary would from time to time prescribe by regulation the chargeable premium rates for all types and classes of property for which disaster insurance is made available. He could if necessary fix the premium rates for the basic property values covered (noted above) at less than the estimated risk premium rates. Otherwise, the rates would have to be based, insofar as practicable, on the respective risks involved and would have to be adequate to provide reserves for anticipated losses. It the rates were fixed at a lower amount, they would have to be consistent with the objective of making major disaster insurance available at reasonable rates in order to encourage its purchase by homeowners and others.

TREASURY BORROWING AUTHORITY

Section 9: The Secretary would be authorized with the approval of the Secretary of the Treasury, to issue notes or other obligations in an amount not exceeding $800 million. The Secretary of the Treasury would determine the rate of interest for these notes or obligations, and would be authorized to purchase or sell them as public debt transactions.

DISASTER INSURANCE FUND

Section 10: The Secretary would also be authorized to establish in the Treasury of the United States the Disaster Insurance Fund from which would be paid all claims, expenses, administrative costs and debt redemption of the disaster insurance programs. The Fund would be the repository for all funds which might be borrowed, appropriated by Congress, earned as interest on investments, derived from premiums or received from other operations. If the Secretary should determine that the Fund total would be in excess of current needs, he could request the Secretary of the Treasury to invest the amounts which the latter deemed advisable in obligations issued or guaranteed by the United States.

PAYMENT OF CLAIMS

Section 11: The Secretary would be authorized to establish regulations for adjustment and payment of claims.

DISSEMINATION OF DISASTER INSURANCE INFORMATION

Section 12: The Secretary could make available to state and local agencies data and information with regard to the coverage, objectives and premium rates for disaster insurance programs.

PROHIBITION AGAINST CERTAIN DUPLICATIONS OF BENEFITS

Section 13: No property-owner would be eligible for disaster relief assistance if a person or business is covered for losses by insurance or could have been covered by disaster insurance which had been made available in his area at least one year prior to the occurrence of the damage.

PROPERTIES IN VIOLATION OF STATE AND LOCAL LAW

Section 14: No new disaster insurance would be provided for properties which the Secretary found to be in violation of State and local zoning laws and ordinances.

COORDINATION WITH OTHER PROGRAMS

Section 15: The Secretary would coordinate the new insurance program with the National Flood Insurance Act of 1968 and would consult with other departments and agencies of the federal, state and local agencies in order to coordinate the insurance program with their activities. Veterans Administration, Federal Housing Administration, and other federal agencies which guarantee or insure loans and mortgages would have to require that any such structures must be insured under the major disaster insurance program administered by the Secretary.

TERMINATION OF AUTHORITY

Section 16: The disaster insurance program would not be established if the Secretary determined that by June 30, 1975, private insurance companies have provided equivalent coverage on reasonable terms.

JUDICIAL REVIEW

Section 17: Standard provision would be made for judicial review of orders issued under the act.

IMPLEMENTATION

Section 18: Unless he determined such a program to be unnecessary, the Secretary would be directed to implement the act by establishing an industry disaster insurance program with Federal assistance or a Government disaster insurance program similar to that authorized by the National Flood Insurance Act of 1968.

PAYMENTS

Section 19: The Secretary would be authorized to make payments under the Act either in advance, as installments, or as reimbursements, and to fix conditions for those payments.

GOVERNMENT CORPORATION CONTROL ACT

Section 20: The provisions of the Government Corporation Control Act would be made applicable to the Disaster Insurance Act.

FINALITY OF CERTAIN FINANCIAL TRANSACTIONS

Section 21: Payments and financial transactions made under the Act would be final and conclusive on all Government officers.

ADMINISTRATIVE EXPENSES

Section 22: Authority would be made for payment from appropriated funds of any administrative expenses incurred in carrying out the disaster insurance program.

AUTHORIZATION OF APPROPRIATIONS

Section 23: Authorization would be made to appropriate funds needed for administrative expenses, premium equalization payments, reinsurance claims and other necessary costs of the disaster insurance program.

By Mr. DOLE:

S. 1579. A bill to provide for the demonstration of models of living arrangements for severely handicapped adults as alternatives to institutionalization and to coordinate existing supportive services necessitated by such arrangements, to improve the coordination of housing programs with respect to handicapped persons, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

HANDICAPPED AMERICANS, 1973

Mr. DOLE. Mr. President, each year since coming to the Senate, it has been my practice to direct a major address toward the needs, expectations, and aspirations of handicapped Americans. My first year in the Senate, I chose April 14, for my first speech to the Senate because it happened to be the date on which I entered the world of the disabled during World War II.

Those first Senate remarks were well received and led to the creation of Presidential task forces on the physically and mentally handicapped. Those groups were appointed, met over a considerable period of time and issued reports which have proven to be invaluable in the evaluation of public and private programs, the preparation of new legislation, and the achievement of a better understanding of the physical and mental handicaps. Other annual proposals have been offered, and it is my intention to continue this yearly tradition in the hope that each suggestion and proposition will stimulate widespread discussion of the handicapped and focus constructive attention on their needs and potential for contributing to their personal well-being and to the world around them.

PROBLEMS AND PROGRESS

There are, of course, many problems which uniquely afflict the handicapped. They must contend with an almost limitless variety of economic difficulties, physical obstacles, social prejudices, and emotional uncertainties. It is to the great credit of our society that we have attempted—through public, private, and individual efforts—to respond to these problems in ways that will facilitate and enhance the lives of our fellow citizens who are physically or mentally handicapped. One only has to look back a few decades to appreciate the distance we in America have come—from regarding persons with physical and mental disabilities as less than human—to the point where we now devote major programs and resources toward assuring their fullest and most rewarding participation in the mainstream of life. But as anyone who is concerned with this field understands, there is still much to do.

HOUSING DIFFICULTIES

Housing has always been a subject to the handicapped, for a variety of reasons relating to their unique physical, medical and financial requirements, their living accommodations frequently must conform to special needs. Doorways may have to be widened to allow easy passage on cruches or in wheelchairs. Elevators and ramps may be required, too. The installation of handrails, grip-bars, lifting devices, and other equipment is often necessary. Appliances, fixtures, and floor plans frequently must be modified. These requirements by virtue of their complexity, uniqueness, and cost are seldom met by conventional living accommodations; although, taken separately, they do not seem overly important or serious. But together they often have meant the difference between institutionalization and life as a part of the so-called normal community. And as the severity of an individual's handicap or group of handicaps increases, so does the likelihood that this individual will be unable to escape life in an institution.

The result of this process has been an increasing emphasis on institutionalization as a way of life for the more severely handicapped, and it has given rise to an "institutional" mentality among the handicapped, themselves, as well as the professional, technical and policymaking personnel who serve them. It seems most effort has been based on the proposition that severely handicapped individuals must by definition be maintained in institutions. Little thought, small energy, and few resources have been dedicated to deinstitutionalizing them and placing them physically in the environment of the communities to which they belong.

ESTABLISHED PATTERNS

Indeed, so far no broad-scale, concentrated efforts have been devoted to providing residential facilities designed specifically for severely handicapped adults. Except in rare instances, substantially handicapped persons have remained in their parents' houses until some emergency such as the death or physical incapacity of the parents has forced them into an institution, or they have been placed from the outset in institutions. Little thought has been given by these parents or their handicapped children to alternative living accommodations. And no wonder.

Even such rehabilitative services as are available are usually institutionalized, and often they are set apart from similar programs for the rest of the population. For example, excellent special education programs are often segregated for no real reason, and thereby the contact between handicapped and nonhandicapped children—which in many cases might be beneficial to both groups—is limited. In similar fashion vocational services and sheltered employment in many cases are also removed from the well-traveled paths of the community.

This continued separation produces a detrimental cycle. The handicapped person, segregated from his fellow citizens, finds his opportunities for personal interaction with others are limited. He finds it more difficult to enter community life when opportunities are presented. At the same time opportunities for the remainder of the population to become acquainted with the disabled as individuals and fellow human beings with the same emotions, hopes, and personalities are also reduced. And the whole society is the poorer for it. Because of this institutional mentality among those responsible for providing services to people with special needs, the severely handicapped, themselves, are confined by their limited experience to thinking in institutional terms. In effect the whole society is stifled.

A touching example of this institutional mentality arose out of a recent meeting in a large city where severely handicapped adults, their parents, volunteers, lay leaders, and State officials were discussing the kinds of living arrangements favored by the handicapped adults and their families. Everyone could mention already established institutional methods, but no one ever raised the possibility of a noninstitutional setting. They could not think of anything but large population categories—nursing homes, hospitals, institutions for 50 or more, with 3 or 4 in a room. The idea of increased self-sufficiency and independence in a private residential setting was completely foreign to them all.

NEW DIRECTION

I believe the time has come to set aside this institutional mentality and introduce a new direction into the planning and programs for the severely handicapped—particularly where housing is concerned.

Of course, some handicaps are so severe that they absolutely necessitate the care and extensive facilities available only in modern hospitals and extended care centers. But many severely handicapped people—given the right facilities, training and guidance—can live independent, productive lives away from the institutions to which they have been confined.

So from this point on, let us not make

our first question, "What institution is best?" Rather let us first ask, "How can we make it possible for this person to live in the community, how can we make him or her as much a part of the everyday life of America as possible, how can we enable him or her to play a maximum role in the world?"

The modern directions in this Nation for treating and rehabilitating the handicapped are deinstitutionalization and decentralization. These trends should also be incorporated in approaches to living arrangements for the severely handicapped. The goal should be to integrate them into the community but still provide all the special services they require—through establishing a new emphasis in planning for future housing construction and utilizing available services and facilities more effectively, efficiently, and economically.

HOUSING OPPORTUNITIES FOR THE HANDICAPPED ACT

Today, I propose a two-phase national effort to redirect our approach to housing for the handicapped in America. It will place the focus on providing alternatives to institutional living arrangements by adapting present housing to meet the needs of the severely handicapped and by assuring that future housing will be constructed with the needs of all handicapped Americans clearly in mind. I have titled this bill the Housing Opportunities for the Handicapped Act of 1973.

DEINSTITUTIONALIZING THE SEVERELY HANDICAPPED

With regard to existing housing, the bill establishes within the Department of Health, Education, and Welfare a demonstration grant program designed to break the patterns of the institutional mentality which has grown up around the severely handicapped.

Under this program the Secretary of HEW would work in cooperation with the many fine public and private agencies and organizations which are already striving to supply service delivery systems for the handicapped. Grants would be provided to "sponsor" organizations to support plans which are specifically designed to provide housing and coordination of existing supportive services for at least six severely handicapped individuals. The grants would be limited to a total $10,000 for each person served by any single program, but there would be no limits on the innovations, new approaches, or fresh ideas which could be implemented by the programs. It is hoped these grants will lead to a broad range of experimentation in methods of equipping, adapting, or modifying private homes, apartments, hotels, and other nonspecialized facilities to meet the residential needs of the severely handicapped. It would be expected that some experiments would fail because they were impractical, too expensive, too complicated as for any other reason. But I also believe that out of this experimentation by groups with established experience and demonstrated understanding in serving the handicapped many good ideas and workable new approaches will emerge.

Over the 3-year period that these demonstration grants are authorized there will be ample time to thoroughly test ideas, to correct mistakes and to make improvements or promising developments. And at the end of the 3-year authorization, the Secretary is directed to report back to the Congress, with legislative recommendations based on the experience of the programs funded under the act.

I believe this portion of the act represents a sound approach to an important need. It starts on a small scale but provides wide flexibility and latitude for searching out and applying new ideas. It lays the foundation for thorough study of the various experimental approaches, and it holds the promise of showing us a clear path to successful broad-scale legislation to meet these needs on a national basis—and open millions of existing homes, apartments, and other residential facilities to the severely handicapped.

FUTURE HOUSING

Of course, if this goal is to be achieved we must work with housing which is in existence now. But if we are to have lasting success we must assure that in the housing which will be constructed in the future the needs of the handicapped are taken into consideration from the start of the initial planning process.

It would be wonderful if by making a speech or passing a law we could assure that the needs of the handicapped would occupy a prominent place in the mind of every architect, housing planner, and residential developer in the country.

Well, we all recognize the limits of our laws and our abilities. However, we can also recognize the possibilities for achieving our goals on a more limited but, nonetheless, significant scale. And if we cannot immediately impress our concerns on the entire housing industry, it is certainly possible to do so with respect to one of the most important sectors of the housing fraternity—the Federal Government's Department of Housing and Urban Development.

BASIC PLANNING CONSIDERATION

Therefore, the bill amends the authority of the Department of Housing and Urban Development to require that its comprehensive planning activities:

Include a consideration of the design, construction, and location of housing, transportation facilities, and other facilities and services for the purpose of ensuring the ease of adaptability of such facilities and services for occupancy or use by handicapped persons.

CLEAR MANDATE

This language is intended as a clear mandate to our Federal housing authority that the needs of the handicapped—all handicapped persons—shall be given basic consideration in America's planning for future housing.

As anyone who has ever undertaken a home remodeling project knows, it is many times more difficult and more expensive to modify a house after it is built than to include the modifications in the original plans. And it is much more difficult and costly—often to the point of being prohibitive—for a handicapped individual to modify a house or apartment to his specific needs. And thus we get back to the vicious cycle of institutionalization because of physical, financial, or personal limitations.

BASIC DESIGN CONSIDERATIONS

But what if these needs were considered in the beginning? For example, what if doorways were built wide enough for a wheelchair to pass through without difficulty? What if easy connections were made for converting sinks, lavatories, toilets, and bathtubs or showers to models readily utilized by an individual who is confined to a wheelchair? Countless other examples could be found—simple things, little things, inexpensive things, but some major items, too—that if included in original plans and specifications could make all the difference in the world for someone with a handicap.

And where could we find a better place to start than with the Federal Government and the Department which is concerned with the homes and communities in which we will all live in the future? With all the expertise and technical resources at its command, I believe the Department of Housing and Urban Development could produce great strides in a short time. And with the firm direction provided by this act, the Department would clearly be held accountable for achieving this progress.

SPECIAL ASSISTANT TO THE SECRETARY

To assure the maximum possible dedication to these objectives and to provide a central authority for directing departmental efforts toward it, the bill creates a Special Assistant to the Secretary of Housing and Urban Development to have coordinating and oversight authority within the Department and to consult and coordinate efforts with the Department of Health, Education, and Welfare.

I believe this section of the act is a vital requirement if America is to fulfill its responsibilities—its legitimate and clear responsibilities—to our handicapped citizens as we move into the third decade of our independence. The handicapped have long been a slighted minority in this country in terms of the planning processes of government. Perhaps the most glaring recent example of this inexcusable shortcoming is to be found right here in the District of Columbia, where a multibillion-dollar subway system has been permitted to proceed without incorporating even the most basic facilities to promote access by even moderately handicapped people.

Such serious defaults of our clear and basic obligations cannot be permitted to continue. And the area of housing is—along with medical and transportation considerations—as critical a subject for the handicapped as any I know.

So this portion of the act, I believe, takes on the greatest possible importance in terms of determining what type of nation the United States is to become. And if we do not meet our responsibilities to those citizens who are afflicted by various physical and mental disabilities, I do not believe America will ever achieve the full realization of its ideals and greatness.

AUTHORIZATION

The act is supported by reasonable but significant funding authorizations. For the first year $1 million is authorized, but for the second and third years—in the expectation that a certain momen-

tum will be generated—$1.5 and $2 million authorizations are provided.

Certainly, $4.5 million—which can lead to vastly improved and more rewarding residential accommodations for the handicapped in America—is a wise and prudent investment.

CONCLUSION

I would hope the Senate will agree with this assessment of and response to a major need in the lives of millions of our fellow citizens.

The support and cosponsorship of my colleagues would be most welcome and deeply appreciated, and I look forward to this measure receiving detailed and serious consideration in the Senate.

Mr. President, I ask unanimous consent that the text of the Housing Opportunities for the Handicapped Act of 1973 be printed in the RECORD at this point.

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

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Housing Opportunities for the Handicapped Act".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to—

(1) promote alternatives to institutional living arrangements for severely handicapped adults;

(2) promote a more normal living experience and thereby provide an opportunity for the severely handicapped adult to choose how and where to live in order to reduce dependency, to maximize opportunities for vocational evaluation, training and placement, utilize already obtained rehabilitation and integration into the community, and to utilize already obtained rehabilitation and educational experiences;

(3) focus attention on housing needs which are not already available;

(4) promote facility construction adequate for both handicapped and non-handicapped at the most feasible cost;

(5) demonstrate models of housing and services for severely handicapped adults; and

(6) utilize existing supportive service systems.

AUTHORITY

SEC. 3. The Secretary of Health, Education, and Welfare (hereafter referred to as the "Secretary") is authorized to make grants to eligible sponsors to carry out a demonstration program to provide, in an efficient and innovative manner housing and coordination of existing supportive services for severely handicapped adults. For the purposes of this Act, "severely handicapped adult" means a person, having attained the age of eighteen years, whose handicap is sufficiently severe to impair substantial gainful activity, and who requires multiple services to assist in adjusting to or overcoming such handicap.

ELIGIBILITY

SEC. 4. An eligible sponsor for a grant under section 3 is a public or private nonprofit agency or organization (other than a State institution) which—

(1) has demonstrated a commitment to serving and understanding the severely handicapped;

(2) is, at the time it applies for such a grant, supporting a continuing service delivery system for severely handicapped persons; and

(3) is a community-based agency or organization.

CONDITIONS

SEC. 5. (a) The Secretary shall not approve any application for a grant under this Act unless he determines—

(1) that such application was submitted to and approved by a sponsor's advisory council, which council is established for the purpose of furnishing advice to a sponsor with respect to the administration and design of a program to be carried out under this Act, and of which not less than 50 percent of the members are handicapped persons, some of whom will reside in the housing to be operated by the sponsor, and of which not less than 25 percent of the members are professionals experienced in providing services to severely handicapped persons.

(2) that the applicant has furnished assurances that its program will not serve fewer than six severely handicapped adults at a cost of not more than $10,000 per adult; and

(3) that the applicant has furnished such other assurances as the Secretary may by regulation require.

(b) In furnishing assistance under this Act, the Secretary shall encourage the conduct of demonstrations in both densely and sparsely populated areas and in separate geographic regions of the United States.

REPORTS

SEC. 6. The Secretary shall report to the Congress not later than March 1 of each year on his activities under this Act and shall submit a final report to the Congress which report shall include recommendations for future legislation in the area of housing for severely handicapped adults based upon a comprehensive analysis and review of the projects funded under this Act.

PLANNING AND COORDINATION

SEC. 7. (a) Section 701(a) of the Housing Act of 1954 is amended by inserting before the last sentence the following: "Planning assisted under this section shall include a consideration of the design, construction, and location of housing, transportation facilities, and other facilities and services for the purpose of ensuring ease of adaptability of such facilities and services for occupancy or use by handicapped persons."

(b) Section 4 of the Department of Housing and Urban Development Act is amended by adding at the end thereof the following: "(d) There shall be in the Department a Special Assistant to the Secretary, designated by the Secretary, who shall be responsible for—

"(1) consultation and coordination with the Department of Health, Education, and Welfare and other agencies with respect to housing design and technology with respect to adaptability of housing for occupancy by handicapped persons; and

"(2) coordination and oversight within the Department of all housing and related programs to assure the maximum praticable application of design and technology which facilitates adaptability for occupancy or use by handicapped persons."

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1974, $1,500,000 for the fiscal year ending June 30, 1975, and $2,000,000 for the fiscal year ending June 30, 1976, to carry out the purposes of this Act. Any sums so appropriated shall remain available until expended.

By Mr. GURNEY:

S.J. Res. 91. A joint resolution to amend the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America." Referred to the Committee on the Judiciary.

Mr. GURNEY. Mr. President, I am today introducing a joint resolution to clarify certain provisions of the laws regarding our patriotic customs, popularly known as the flag code.

The flag code was approved on December 22, 1942, for the purpose of codifying existing rules and regulations pertaining to the display and use of the flag of the United States of America. By amending the earlier legislation on the subject, it established a code for the use and guidance of civilians and civilian organizations who are not required to comply with regulations promulgated by the executive departments of the Government of the United States.

In recent years, however, the flag code has been subject to a multitude of differing interpretations. These various interpretations have created much confusion in the minds of many of our citizens with regard to the proper manner of displaying and showing appropriate respect for the flag on ceremonial, as well as other occasions. Some of the customs are outdated and need to be revised. Other provisions of the flag code need clarification and reemphasis.

It seems rather ironic that as we approach the bicentennial celebration of the founding of this Republic, we should find ourselves in such a state of confusion regarding use and respect for the honored symbol of our Nation.

Many patriotic organizations have expressed their concern over the existing situation, with its conditions of confusion and obscurity. The American Legion, for example, has called for legislation to restate and clarify the rules and customs relating to the use, display, and proper respect for the flag of our country. The concern and experience of that great organization of great Americans has been most invaluable in identifying existing problems and seeking a method of resolving those difficulties, and I would like to commend them for their diligent efforts to enhance the flag of our Nation.

The resolution I am introducing today provides in clear and simple language a clarification of those customs and usages which are presently a source of confusion. I ask unanimous consent that the complete text of the resolution be inserted in the RECORD at this point, and I call upon my colleagues to examine it, at the same time reaffirming the principles and ideals represented by our flag.

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

S.J. RES. 91

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America" as amended (36 U.S.C. 171–178), is amended—

(1) by striking out the second sentence of section 2(a) and inserting in lieu thereof the following: "However when a patriotic effect is desired, the flag may be displayed twenty-four hours a day if properly illuminated during the hours of darkness.";

(2) by inserting in section 2(c) before the period a comma and the following: "unless it is an all-weather flag";

(3) by striking out section 2(d) and inserting in lieu thereof the following:

"(d) The flag should be displayed on all days, especially on New Year's Day, January 1; Inauguration Day, January 20; Lincoln's Birthday, February 12; Washington's Birthday, the third Monday in February; Easter Sunday (variable); Mother's Day, second Sunday in May; Armed Forces Day, third Saturday in May; Memorial Day (half-staff until Noon), on the last Monday in May; Flag Day, June 14; Independence Day, July 4; Labor Day, first Monday in September; Citizenship Day, September 17; Columbus Day, the second Monday in October; Veterans Day, the fourth Monday in October; Thanksgiving Day, fourth Thursday in November; Christmas Day, December 25; such other days as may be proclaimed by the President of the United States; the birthdays of States (dates of admission); and on State holidays.";

(4) by striking out ", weather permitting," in section 2(e);

(5) by striking out "radiator cap" in section 3(b) and inserting in lieu thereof "right fender";

(6) by inserting before the period in the last sentence of section 3(f) a comma and the following: "its own right";

(7) by striking out section 3(i) and inserting in lieu thereof the following:

"(i) When displayed either horizontally or vertically against a wall, the union should be uppermost and to the flag's own right, that is, to the observer's left. When displayed in a window, the flag should be displayed in the same way, with the union or blue field to the left of the observer in the street.";

(8) by striking out section 3(k) and inserting in lieu thereof the following:

"(k) When used on a speaker's platform, the flag, if displayed flat, should be displayed above and behind the speaker. When displayed from a staff in a church or public auditorium, the flag of the United States of America should hold the position of superior prominence, in advance of the audience, and in the position of honor at the clergyman's or speaker's right as he faces the audience. Any other flag so displayed should be placed on the left of the clergyman or speaker or to the right of the audience.";

(9) by striking out section 3(m) and inserting in lieu thereof the following:

"(m) The flag, when flown at half-staff, should be first hoisted to the peak for an instant and then lowered to the half-staff position. The flag should be again raised to the peak before it is lowered for the day. On Memorial Day the flag should be displayed at half-staff until noon only, then raised to the top of the staff. By order of the President, the flag shall be flown at half-staff upon the death of principal figures of the United States Government and the Governor of a State, territory, or possession, as a mark of respect to their memory. In the event of the death of other officials or foreign dignitaries, the flag is to be displayed at half-staff according to Presidential instructions or orders, or in accordance with recognized customs or practices not inconsistent with law. In the event of the death of a present or former official of the government of any state, territory or possession of the United States, the governor of that state, territory or possession may proclaim that the National flag shall be flown at half-staff. The flag shall be flown at half-staff thirty days from the day of death of the President or a former President; ten days from the day of death of the Vice President, the Chief Justice or a retired Chief Justice of the United States, or the Speaker of the House of Representatives; from the day of death until interment of an Associate Justice of the Supreme Court, a Secretary of an Executive or military department, a former Vice President, or the Governor of a State, territory, or possession; and on the day of death and the following day for a Member of Congress. As used in this subsection—

"(1) the term 'half-staff' means the position of the flag when it is one-half the distance between the top and bottom of the staff;

"(2) the term 'Executive or military department' means any agency listed under sections 101 and 102 of title 5, United States Code; and

"(3) the term 'Member of Congress' means a Senator, a Representative, a Delegate, or the Resident Commissioner from Puerto Rico.";

(10) by adding at the end of section 3, a new subsection as follows:

"(o) When the flag is suspended across a corridor or lobby in a building with only one main entrance, it should be suspended vertically with the union of the flag to the observer's left upon entering. If the building has more than one main entrance, the flag should be suspended vertically near the center of the corridor or lobby with the union to the North, when entrances are to the East and West or to the East when entrances are to the North and South. If there are entrances in more than two directions, the union should be to the East.";

(11) by striking out section 4(a) and inserting in lieu thereof the following:

"SEC. 4. (a) The flag should never be displayed with the union down, except as a signal of dire distress in instances of extreme danger to life or property.";

(12) by striking out section 4(d) and inserting in lieu thereof the following:

"(d) The flag should never be used as wearing apparel, bedding, or drapery. It should never be festooned, drawn back, nor up, in folds, but always allowed to fall free. Bunting of blue, white and red, always arranged with the blue above, the white in the middle and the red below, should be used for covering a speaker's desk, draping the front of a platform, and for decoration in general.";

(13) by striking out section (e) and inserting in lieu thereof the following:

"(e) The flag should never be fastened, displayed, used, or stored in such a manner as to permit it to be easily torn, soiled, or damaged in any way.";

(14) by striking out section 4(i) and inserting in lieu thereof the following:

"(i) The flag should never be used for advertising purposes in any manner whatsoever. It should not be embroidered on such articles as cushions or handkerchiefs and the like, printed or otherwise impressed on paper napkins or boxes or anything that is designed for temporary use and discard. Advertising signs should not be fastened to a staff or halyard from which the flag is flown.";

(15) by redesignating section 4(j) as section 4(k) and by inserting after section 4(i) a new subsection as follows:

"(j) No part of the flag should ever be used as a costume or athletic uniform. However, a flag patch may be affixed to the uniform of military personnel, firemen, policemen, and members of patriotic organizations. The flag represents a living country and is itself considered a living thing. Therefore, the Lapel Flag Pin being a replica, should be worn on the left lapel near the heart.";

(16) by striking out section 5 and inserting in lieu thereof the following:

"SEC. 5. During the ceremony of hoisting or lowering the flag or when the flag is passing in a parade or in review, all persons present except those in uniform should face the flag and stand at attention with the right hand over the heart. Those present in uniform should render the military salute. When not in uniform, men should remove their headdress with their right hand and hold it at the left shoulder, the hand being over the heart. Aliens should stand at attention. The salute to the flag in a moving column should be rendered at the moment the flag passes.";

(17) by striking out section 6 and inserting in lieu thereof the following:

"SEC. 6. During rendition of the National Anthem when the flag is displayed, all present except those in uniform should stand at attention facing the flag with the right hand over the heart. When the flag is not displayed, those present should face toward the music. During rendition of the Anthem, men not in uniform should remove their headdress with their right hand and hold it at the left shoulder, the hand being over the heart. Persons in uniform should render the military salute at the first note of the Anthem and retain this position until the last note.";

(18) by striking out section 7 and inserting in lieu thereof the following:

"SEC. 7. The Pledge of Allegiance to the Flag, 'I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.' should be rendered by standing at attention facing the flag with the right hand over the heart. When not in uniform men should remove their headdress with their right hand and hold it at the left shoulder, the hand being over the heart. Persons in uniform should remain silent, face the flag, and render the military salute."; and

(19) by striking out section 8 and inserting in lieu thereof the following:

"SEC. 8. (a) The Commander in Chief of the Armed Forces of the United States shall appoint a National Flag Commission for the purpose of necessary study and revision of this joint resolution.

"(b) Any rule or custom pertaining to the display of the flag of the United States of America, set forth herein, may be altered, modified, or repealed, or additional rules with respect thereto may be prescribed, by the Commander in Chief of the Armed Forces of the United States, whenever he deems it to be appropriate or desirable; and any such alteration or additional rule shall be set forth in a proclamation.".

ADDITIONAL COSPONSORS OF BILLS

S. 1162

At the request of Mr. BARTLETT (for Mr. BELLMON) the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1162, a bill to encourage the development of the natural energy resources of the United States in order to assure dependable and adequate energy supplies.

S. 1504

At the request of Mr. GRIFFIN, the Senator from Michigan (Mr. HART) was added as a cosponsor of S. 1504, a bill to provide that the Federal district court for the western district of Michigan may be held in Muskegon, Mich.

S. 1551

At the request of Mr. ROBERT C. BYRD (for Mr. EASTLAND) the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 1551, a bill providing for emergency provisions for rice and peanut allotments.

NOTICE OF HEARINGS ON SPEEDY TRIAL

Mr. ERVIN. Mr. President, I announce today that the Subcommittee on Constitutional Rights has scheduled 1 day of hearings for next Tuesday, April 17 to consider the Justice Department's position on S. 754, speedy trial legislation which the subcommittee has been considering for the past 3 years.

At that time Dean Sneed will appear

on behalf of the Justice Department and three other witnesses will appear at the request of Senator HRUSKA. Of course, the subcommittee would welcome any statements submitted for the record by consponsors of S. 754 or by any other interested persons. For further information please contact the subcommittee office, room 102–B, Russell Building, extension 58191.

ADDITIONAL STATEMENTS

THE SELLING OF AN EDUCATION

Mr. BEALL. Mr. President, I have the pleasure of serving on the National Commission on the Financing of Postsecondary Education.

Also serving on the commission is a student, Mr. Tim Engen of Bradley University. Tim is making an outstanding contribution to the commission in presenting the students' viewpoint. Earlier this year Tim addressed the Peoria Ad and Selling Club on the subject, "The Selling of an Education." I found this a most interesting address and I believe Senators will be interested in his remarks. I ask unanimous consent that the speech be printed in the RECORD.

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

THE SELLING OF AN EDUCATION

(By Tim R. Engen)

It is indeed a pleasure to address the Peoria Ad and Selling Club today. These remarks are the finale of my speaking tour throughout Peoria. I could not begin today without thanking you and the Peoria community for the countless opportunities to present my point of view for the thousands upon thousands of students enrolled in American higher education. After 25 speaking engagements, I conclude today with a frank testimony regarding higher education and its present role in American society.

To begin, I would like to present a brief synopsis of what I have been saying to other organizations. I am aware that many of you may have heard these remarks previously, but for the purpose of extending my arguments to their logical ends, I repeat them today.

I have spoken repeatedly of the attitudinal revolution of college students. I firmly believe we have entered into a new era of involvement. It is an era without the frustrating and anxiety-producing visible displays of protesting war, poverty, unemployment, and Dow Chemical, but with the more localized and regional concerns of academic quality, job potential, quality living environments, and competitive degrees. These, gentlemen, are the new priorities.

We are not where we were in 1968 and 1969, although I hasten to say the American public may still be. While a recent Gallup poll indicates that 65 percent of Americans believe the present quiet on campus is merely temporary (that this is merely a period of reinforcement and entrenchment before the illogical, irreproachable Communistic activists return), I have pleaded with audiences to accept the realization that priorities have changed. The national government has changed. The obvious preoccupation with national policy has, to many students, been a diversion from the important, more individualized, priorities at the college or university level. In short, in the effort to change national policies, student energies were not directed effectively toward the home front—the campus scene. To illustrate that change in priorities, I would like to list what have to be the most asked questions on the campuses in 1972–73:

1. Will I ever get a job?
2. Why does this University cost so much?
3. Why does this University have to act like my parent?
4. How can that professor have all that education and still teach like that?
5. Why is there such a tremendous preoccupation with grades?
6. What does this community have against this student body?

I suggest the change is apparent by merely verbalizing this list of the most asked questions of college students today.

As our student government has devoted itself to these questions, we are becoming more responsive. That is as encouraging to us as I hope the new priorities are to you!

But, gentlemen, I caution you not to view these changes or this era as an era of "privatism"—an era where students will ignore changing society and concentrate on change for the sole purpose of improving the self. The words "college students" and "change" will continue to be an amalgam for years to come. Students are beginning to realize what Alvin Toffler reiterates in *Future Shock:*

"Happiness comes from understanding the distinction between our own private world and the larger more public world and involving ourselves in both."

Change in both contexts will continue!

As a member of the National Commission on the Financing of Postsecondary Education, I have had a tremendous opportunity thus far to meet the leaders in the educational field. As a result of that, I have had the opportunity to place the feelings and fears of today's college student into a new, clear perspective. Just as I listed the most asked questions of today's college students, I can remind you that those questions, based on beliefs, opinions, and experiences, are inextricably bound in the trends of our society and educational system itself.

My goal for this presentation today is quite simple. It is not to lecture. It is merely to explain to you the newly embodied frustrations of college students and their relation to a faltering educational system.

We are, in my opinion, merely selling an education! And we are selling it without regard to:

1. The value of the product once it is purchased;
2. The quality of the product in its manufactured stages;
3. The continued demand for that product meeting society's needs;
4. The newness of innovativeness of that product with respect to changing generations;
5. The oversupply of that product in terms of jobs, unemployment, and occupational trends;
6. The cost of the product in terms of the consumer's buying power;
7. The efficient management and planning and market research in the production of the product;
8. The lack of freedom of competition.

We are selling it to the millions of Americans who form the greatest buying potential but who, to this point, have been omitted by the rigors and straights of discriminatory prestige and traditions.

You may be surprised or confused by my comparison of education to business or that education can also be considered within the traditional business terms of consumer, supply, demand, quality, value, market research, management, or competition. But education is a business. I am a consumer and Bradley is the producer. There is a supply and demand. There are calls for management and needs for competition, etc.

As a consumer of a product called "education," as a frustrated student, as a future parent and financial contributor, as a member of the American society who supports education, I have a right, if not a duty, to attempt to improve what I am paying for. I have a right to attempt to keep costs down, quality up, and production relevant to society's needs. As a consumer I intend to exercise that right. And as a consumer I realize that whether it's the University of Illinois or Minnesota or Bradley or Knox, Greer Tech, or Midwest Business College, they are *all—all* profit-making institutions. Some just invest more.

In the words of Dr. Richard Fulton, President of Independent Proprietary Schools and Colleges:

"There are only three types of educational institutions in this country: (1) tax-consuming, (2) tax-avoiding, and (3) tax-paying. And, they are all profit-making."

I must stop and qualify my statements to this point. I am attempting to establish the fact that educational institutions "sell" education as a product. But, as you will note from the outset, I worded my contention that we are presently "*merely* selling education" without cognizance of the essential foresight and considerations for success in business. Here lie the frustrations of students and the failings of education! We, as students, are consumers. I am expressing a consumer ideology towards education.

Gentlemen, I stand before you today attempting to discuss the crisis of higher education in the terms you cope with daily. Education, which is essentially a business, has far too long merely pretended *not* to operate as one. Today education is big business, and it is time for the tax-payers and consumers to force this big business into accountability.

Just prior to my freshman year, I was packing all my possessions for my four-year college adventure. I searched my room for a symbolic memento of higher education. I spotted a soap-carved bust of Socrates, the supposed "Father of Education," which I thought was extremely apropos for my dorm room. So I packed him. When I unpacked him, his head had broken off. To this day I wonder if that is not an omen or a symbol for higher education. Are we probing in the park without heads? Are we merely Ichabod Cranes? The crisis in higher education would seem to indicate an element of truth in this comparison.

I return to earlier statements:

I. We are *merely* selling education without regard to management, planning, or knowledge of supply and demand.

College administrators in the 1960's were headless horsemen. The size of the potential college pool grew faster than the national population or the real income (4.2 percent annually). Therefore, the call for expansion produced enormous building programs, more dormitories, more faculty, and extensive Ph. D. and graduate programs. Educational planners were so overwhelmed by the boom that no one could envision other educational alternatives competing against that prestigious educational institution of higher learning. No one could envision a declining pool of students. Who, in 1960, could fathom empty dormitories, studentless faculty, or alumni and foundations who refused to give?

However, as early as 1960, the United States Office of Education projected that the college pool would shrink to an increase of one percent between 1970–1990. Where were our eductional planners then? Now, as we are selling endowments, holding empty dorms, seeing state budgets slashed, seeing faculty reductions and higher tuitions, we are beginning to evaluate the foresight of those enthusiastic educational planners.

If only the planners had done some market research and viewed the supply and demand and had anticipated. . . .

The consumer and taxpayer is now being asked to pay for inefficiency and poor plan-

ning. Colleges and universities now proudly claim. "If you've got the money, we've got the place." Sell!

No one can summarize the business inadequacies as well as the chief fiscal officer of New York University. Last December he said, "We stopped computing over deficit. It is beginning to be psychologically devastating for the members of the University to consider. We must grow whether or not we have the money!"

Absurd! What would happen if you operated your businesses like that? With that attitude, I conclude that Will Rogers was right when he said, "Last year we decided things can't go on like this and we were right! Things got worse!"

II. We are merely selling education without regard to or concern for the destruction of educational alternatives or the freedom of competition which is being eliminated.

I smell monopoly!

Charles McCoy, head of the DuPont Company, pinpointed an essential consideration that all private corporations must remember: "Private corporations live by public permit. Such business organizations have to perform a service to earn their keep."

There can be no doubt that most private institutions of higher learning offer a service. Bradley does. But in higher education, a public permit means that same market with a heavy debt incurred (which they will be required to pay off in the ensuing years).

Thus the consumer's investment in higher education may never be fully realized. The increasing emphasis on loans or a means to finance a student's education merely increases the cost of education as the student is forced to forfeit post-graduation income which increases the percentage of unearned income he forfeited by attending school in the first place. Equal opportunity of education is hardly maximized by extravagant student loan programs. Again, the federal objective of equal access of education to those with the desire and ability is hardly realized.

V. We are merely selling education without serious regard to relevancy and supply and demand. We have nineteenth century curriculums to meet a twentieth century inflated economy and an increasingly service-oriented society.

Charles Reich, in his best-seller, *The Greening of America,* suggests our philosophical error:

Our present ideas of education are absurdly narrow and primitive for the kinds of tasks men face. Education is little more than training for an industrial army. What we urgently need is not training, but education; not indoctrination, but the expansion of each individual—a process throughout life; education for consciousness.

The irrelevancy and lack of consciousness is the present keynote to student frustration. Mass production of the educational product for the purpose of serving an ever-changing society has produced a product few can use in its raw form. In terms of society's needs, we are producing illiterates. Poetically, the experience sounds like this:

Nowadays simply paying fees
Automates assembly-line degrees
As hosts of secretaries punch and file
Proper cards in proper places.
Meanwhile
In the classrooms students come and go
Who never heard of Michelangelo.
For IBM now calculates with ruth—
Not as in its hour of thinkful youth—
But heeding oftentimes the still, sad plea
Of illiterate humanity.

JOHN A. WEIGEL, *Miami University.*

Will I ever get a job? Is it possible to be illiterate after four years of higher education? When will we ever need teachers again? These are the great unanswered questions of 1973. I wonder how many times they have been asked. I wonder how it feels to be like the cab driver I met in Washington, D.C., who had a Ph.D. in bio-chemistry.

The problem is not just temporary. It is not just a condition incurred by present economic conditions. Thousands of college graduates have to be completely retrained following graduation. Are we training people to be something or make something? We have not yet answered that question in higher education. Relevancy?

By 1980 and in the ensuing ten years, we will have 20,000 more Ph.D.'s than society requires yearly. In the years 1970–1980, we will continue to produce 145,000 more teachers yearly than we need. Whether we are overeducating or undereducating is not the question. The question is, "Are we educating with consciousness of society?"

Students for years have been told there is a positive correlation between increasing increments of educational achievement and total lifetime earnings. There is increasing evidence that there is no causal relationship between the two. If for no other reason, 80 percent of the jobs in our society do not require a college education.

In America today our college enrollments have not significantly responded to economic conditions. Increased federal funding and societal encouragement have kept enrollments (input) higher than society needs (desired output).

At this point in our education development, we would see less frustration, less unemployment, less financial crisis within institutions if we had wisely planned and accepted market conditions. Uppsala University in Sweden lost 6,000 students last year, reflecting the inflated economy. We could all learn a lesson from Uppsala University. As students begin to respond to economic conditions, educational planning may truly develop.

There are two widely accepted theories of education. One is the Individual Benefit Theory which simply implies a student would naturally obtain some individual benefit from his educational experience. I will not argue that theory. The second and more controversial theory is the Social Benefit Theory. It is suggested that education not only benefits the individual, but also society as a whole. The federal government justifies student grant and loan programs by accepting the latter theory. The two theories are cited for one expressed reason—to raise a very important question. How much of what we are doing in our educational world today is of social benefit?

VI. We are merely selling education without regard to individuality.

Are we merely "training for an industrial army?" In the process of our training, how are we aiding our own uniqueness, our own potential, our own individuality? The assembly-line degrees are a major concern of the educational participant. Am I one of the 28,342 accountants that will be needed in 1972 or one of the 14,000 that won't be needed? Individuality will continue to be a key concern of students. Will our system attempt to meet society's needs as well as our own individual ones? Will the curriculum content be an individual benefit for me? These are questions that at present have no answers. Until we stop "merely selling an education" we won't have one.

VII. We are merely selling education without regard to the millions of Americans outside the traditional confines of prestigious higher education.

Traditionally Americans and the federal, state, and local governments have viewed postsecondary education as colleges and universities. This has been labeled as the "prestigious higher education." Governmental aid has been consistently directed towards the 2,300 institutions in that category. But governmental aid has consistently ignored the 82 million other students who are participating in organizational, proprietary, correspondence, television, and adult education. These have been labeled inferior forms of education. But much learning potential, much career orientation, much social relevance is found in this unknown educational region.

In light of the training and placement capabilities in much of this sector, one must wonder who is inferior. If education is a continuing, ongoing process, if access is to be a successful national goal, then these educational systems must be seen as important alternatives. We must stop funding prestige and start funding a relevant learning process. We must become responsive to the learning force. It includes a core (K–12, graduate and undergraduate programs) and a much larger periphery (organizational, proprietary, etc.). This is truly "postsecondary education."

VIII. Conclusion: Are we merely selling education?

I think we are. Are we selling a quality product that is in demand? We, as consumers, have a right to question what is, in my opinion, a myriad of grave mistakes and discouraging directions.

This product is not improving!
Our definitions are too narrow!
Our needs go unmet!
Our supply is overexpanded!
Our planning is shortsighted!
Our goals go unattained!
Our federal dependency is too great!
And our students are left disenchanted!

I do not want to be remembered in this speech today as a young chronic complainer. I would like to have you accept these thoughts as but one perspective which noticeably challenges the status quo.

But you are successful businessmen! I only wish we had had some of your business savvy years ago!

It is extremely difficult for me to share student frustrations with you and do justice to them. I turn, then, to a piece of literature which aptly parallels that student frustration. It is Samuel Beckett's *Waiting for Godot.*

Here we find two humans living subsistently without emotion, cares, worries, hopes, any interruption in a static state of life. There is only hope that a somebody or something by the name of "Godot" will someday save them. Students, too, have that hope as expressed here amidst a seemingly static educational environment.

Let us not waste our time in idle discourse! Let us do something, while we have the chance! It is not every day that we are needed. Not indeed that we personally are needed. Others would meet the case equally well, if not better. To all mankind they were addressed, those cries for help still ringing in our ears! But at this place, at this moment of time, all mankind is us, whether we like it or not. Let us make the most of it, before it is too late! Let us represent worthily. What do you say? It is true that when with folded arms we weigh the pros and cons we are no less a credit to our species. The tiger bounds to the help of his congeners without the least reflexion, or else he slinks away into the depths of the thickets. But that is not the question. What are we doing here, that is the question. And we are blessed in this, that we happen to know the answer. Yes, in this *immense* confusion one thing alone is clear. We are waiting for Godot to come—

JUDGE RICHEY'S CHARGE

Mr. ERVIN. Mr. President, since I value my reputation, I am much saddened by information that on yesterday Charles R. Richey, U.S. District Court Judge for the District of Columbia, charged in open court that I attempted to influence him improperly in the execu-

tion of his judicial office and committed an unethical act in sending to him a letter reading as follows:

APRIL 9, 1973.

Hon. CHARLES RICHEY,
U.S. District Court, Third and Constitution Ave., N.W., Washington, D.C.

DEAR JUDGE RICHEY: I understand that Mr. James W. McCord, Jr., is scheduled to give a deposition in the next few days in *O'Brien, et al.*, v. *McCord, et al.*, Civil Action No. 1223–72. Our Committee has already begun to take statements from Mr. McCord. On Wednesday, March 28, 1973, Mr. McCord testified before the Committee in Executive Session.

The Committee staff, under its Chief Counsel Samuel Dash, is now continuing the investigation based on Mr. McCord's testimony for the purpose of preparing for a public hearing before the Committee in the near future. Mr. McCord has promised to give much more information to the Committee prior to the public hearings.

I believe our Committee's investigation aimed at following up the leads based on Mr. McCord's statements would be seriously impaired if his deposition in the Civil Action before you were made public at this time. Public disclosure might well result in leads becoming fruitless and witnesses becoming unavailable.

We would hope that you would consider requiring that Mr. McCord's deposition be taken under seal for the use of the lawyers and their clients only and not to be released to the public. We hope that the deposition would also be available to the Committee.

I do not believe such a procedure would interfere with the Civil proceedings before you or would work to the disadvantage of any of the parties involved. But it would serve the double purpose of preventing premature public disclosure of information valuable to the success of our Select Committee's investigation and protecting against unfair public implications of persons in criminal activities who may be innocent.

With kindest regards.

Sincerely,

SAM J. ERVIN, Jr., *Chairman.*

cc B. Fensterwald, Esq.; M. Dunie, Esq.; K. Parkinson, Esq. SJE: SD–1m.

As appears from the notation on the foot of the letter, copies of the letter were sent to counsel for Mr. McCord and counsel for the parties to the civil action.

Judge Richey's charge against me appears in the Washington Post for today.

I ask unanimous consent that this report be printed immediately following my remarks.

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

(See exhibit 1.)

Mr. ERVIN. Mr. President, at the time the letter was written, the Senate Select Committee on Presidential Campaign Activities, of which I am chairman, was engaged in taking the testimony of James W. McCord, Jr., in executive meetings. During an interim in this proceeding, attorneys for officials of the Committee to Reelect the President undertook to take the deposition of James W. McCord, Jr., for use in a civil action pending before Judge Richey. As chairman of the Senate select committee, I became apprehensive that the public release of such deposition might result in leads given the select committee by Mr. McCord becoming fruitless and in making possible witnesses unavailable.

At my request, the chief counsel for the select committee contacted Judge Richey by long-distance telephone, informed him of my concern, and asked him to suggest some appropriate way by which I could express my concern to him. Thereupon Judge Richey suggested to counsel that I mail to him at his chambers in Washington a letter expressing my concern.

Inasmuch as the letter which formed the basis of Judge Richey's charge against me was sent to Judge Richey pursuant to his own suggestion, I am at a loss to say whether I am more hurt by Judge Richey's charge or more astonished by Judge Richey's reprimand of me for following his suggestion.

Let me assure my colleagues and the public that in sending Judge Richey the letter pursuant to his suggestion I was not attempting in any way to improperly influence Judge Richey in the execution of his judicial office. Indeed, it has never occurred to me that Judge Richey is susceptible to improper influence. I was merely expressing to Judge Richey pursuant to his suggestion my concern in respect to the possible release to the public of McCord's deposition prior to the completion of the task of the select committee of taking McCord's testimony and expressing the hope that he would give consideration to the advisability of sealing the deposition temporarily to allow the select committee to complete its task of taking McCord's testimony and running down any leads suggested by it.

Upon receipt of information of his charge, I dispatched to Judge Richey a second letter, which sets forth these circumstances. This second letter reads as follows:

APRIL 12, 1973.

Hon. CHARLES RICHEY,
U.S. District Court,
Washington, D.C.

DEAR JUDGE RICHEY: The Chief Counsel of our Select Committee informed me of your statement in court today with regard to the letter I sent to you on April 9, 1973. Of course, your decision that Mr. McCord's deposition be public and not placed under seal is final and not a matter on which our Committee has any right to speak. However, I understand that you expressed displeasure that I, as Chairman of the Committee, sent this letter to you concerning Mr. McCord's deposition on the grounds that my action constituted some form of interference between the Legislative Branch with the Judicial Branch of the Government.

As you well know, I have strongly supported the doctrine of separation of powers and respect that separation between the Legislative and Judicial Branches as well as the Legislative and Executive Branches. My letter to you, as it expressly states, was in no way an effort to have our Committee interfere with the civil judicial proceedings before you. Indeed, I would not have sent the letter to you had you not specifically invited me to do so when Mr. Dash, our Chief Counsel, spoke to you on the telephone on Monday, April 9. Mr. Dash called you at my request simply to apprise you of the problem the Committee felt it faced with public disclosure of Mr. McCord's deposition and to request how the matter might be properly presented to you and counsel in the case since the Committee was not a party to the civil litigation and did not seek to become a party. You will recall that you specifically asked Mr. Dash to have me write a letter to you, addressed to your chambers setting forth the problem the Committee thought it confronted concerning McCord's deposition and that you would consider the matter.

I deeply regret that after you invited me to send a letter on behalf of the Committee you chose in open court to criticize me for sending it.

Sincerely,

SAM J. ERVIN, Jr., *Chairman.*

While smarting over Judge Richey's charge, I recall words of wisdom expressed by a Tennessee poet and judge, Walter Malone, in his eloquent poem entitled "To A Judge," and words of wisdom which Shakespeare put in the mouth of his character Iago in "The Tragedy of Othello." These words of wisdom merit consideration in this connection.

Let me recite Walter Malone's words:

TO A JUDGE

O thou who wieldest for one fleeting day
The power that belongs alone to God:—
O idol moulded out of common clay,
To sway one little hour an iron rod.—

Dost thou not tremble to assume thy seat,
And judge thy fellow-travelers to the tomb?
Dost thou not falter as thy lips repeat
Thy Comrade's downfall, thy Companion's doom?

A word from you, and Fortune flies away,
While silks and satins tatters into rags;
The banquet revellers scatter in dismay,
And Pride and Pomp haul down their flaunting flags.

You sentence, and your brother, lost to light,
Sits crouching in a dungeon dark and damp;
No stream can ever wash his brow to white
From inky impress of your iron stamp.

He bids farewell to all things fair and sweet,
Exiled from fields and forests, blooms and birds;
He hears no more his children's pattering feet,
Their liquid lisping of their mother's words.

Your hapless fellowman must heed your call
To mount the scaffold,—you have power to kill,
And Life, the greatest miracle of all,
Is ended in obedience to your will.

Your softest speech may smirch the fairest name,—
What reputations hang upon your breath!
Your fiats may translate from fame to shame,
Or bring dishonor blacker-hued than death.

Then be so wise, so merciful, so kind,
The words "Well done!" may never come begrudged;
For thou, the master, shall a Master find,
And thou who judgest soon shalt be adjudged.

Let me quote Iago's words:

Good name in man, and woman, dear my lord,
Is the immediate jewel of our souls
Who steals my purse steals trash. 'Tis something, nothing;
'Twas mine, 'tis his, and has been slave to thousands;
But he that filches from me my good name
Robs me of that which not enriches him,
And makes me poor indeed.

EXHIBIT 1

WATERGATE JUDGE REJECTS ERVIN BID

(By Paul Ramirez)

U.S. District Judge Charles R. Richey rejected yesterday a request from Sen. Sam J. Ervin Jr. (D–N.C.) that a deposition from convicted Watergate conspirator James W. McCord Jr. be kept secret until Ervin's Sen-

ate select committee completes its own probe of the bugging incident.

Richey labeled as "utter folly" Ervin's contention that the release of the deposition would "seriously impair" his Watergate investigating committee's ability to pursue leads based on McCord's statements.

In a statement released last night, Ervin said his request "provided no justification for Judge Richey's statement in open court criticizing the committee."

"The committee's concern was that such public disclosure might result in leads becoming fruitless and witnesses becoming unavailable," Ervin said.

Ervin said a committee staff member had telephoned Richey last week to request that McCord's deposition be kept secret and was instructed by the judge to write a letter about it.

"I deeply regret that Judge Richey chose to criticize me and the committee in open court for following his suggestion," Ervin said.

Richey is presiding over a civil suit filed by the Democratic National Committee against officials of President Nixon's re-election committee. The suit asks for $6.4 million in damages.

"This Court will not allow either the legislative or executive branches of government to interfere with the conduct of any judicial proceedings pending before it," Richey said yesterday. "This is also a violation of the canons of ethics and the right of the parties to a fair trial without outside pressure or influence. I will not tolerate this from anyone."

He said that Ervin, a lawyer and former judge, "knows this to be correct."

"Moreover, the doctrine of the separation of powers is too deeply rooted in the historical foundation of our democracy to permit otherwise, and the Court is certain that the committee fully intends to respect and preserve that fundamental doctrine," Richey said.

Public disclosure about the Watergate case would be "carefully evaluated by a responsible press and a thoughtful public" and could even make the committee's work "much easier," Richey said.

"I don't think we would have a select committee in the first place were it not for the press," he said.

Samuel Dash, chief counsel for the Senate investigating committee on the Watergate incident, told the judge the committee's intent was not to "intercede or interfere or impede," but to protect its own investigation.

McCord is the former security chief of the President's reelection campaign and one of seven persons convicted in last June's Watergate break-in and bugging attempt. He has already testified in secret before Ervin's committee and a grand jury investigating the incident.

Kenneth Wells Parkison, attorney for the President's reelection committee, and Maurine R. Duney, lawyer for the Democratic National Committee, both told Richey they opposed keeping McCord's sworn pretrial testimony secret.

Meanwhile, the federal grand jury investigating the Watergate bugging and related matters continued yesterday to question former staff members of the Committee for the Re-election of the President.

Republican National Chairman George Bush told the Associated Press yesterday that President Nixon "Fully understands the Watergate problem" and predicted he "will clear it up totally."

At least three former Nixon campaign staff members testified before the grand jury yesterday—Sally Harmony and Sylvia Panarites, both former secretaries to convicted Watergate conspirator G. Gordon Liddy, and Powell Moore, a deputy press officer for the Nixon re-election committee and now a White House staff aide for congressional liaison.

The two secretaries were expected to be questioned about testimony by McCord that Liddy told him plans for the Watergate bugging were approved during a February, 1972, meeting attended by former Attorney General John N. Mitchell, presidential counsel John W. Dean III, and Jeb Stuart Magruder, then deputy director of the Nixon campaign.

Investigators have reportedly concluded that Liddy, Mitchell, Magruder and Dean attended a meeting together in February, 1972, but thus far have been unable to corroborate that Watergate bugging was discussed there. Mitchell, Dean and Magruder have repeatedly denied any prior knowledge of the bugging.

Yesterday the Nixon re-election committee issued a statement for Mitchell, quoting him as saying that had he known of the Watergate bugging in advance, he would have put a stop to it.

Miss Harmony was also expected to be questioned about McCord's testimony that she typed final transcripts of wiretapped conversations overheard in the Watergate eavesdropping.

McCord confirmed Wednesday that he had testified that Liddy told him the transcripts were sent to Mitchell, who has denied receiving them.

SUCCESS STORY OF HANDICAPPED VIRGINIAN

Mr. SCOTT of Virginia. Mr. President, the Consulting Engineers Council of Metropolitan Washington has furnished me with a statement regarding the success of a handicapped Virginian which I believe might be an inspiration to others.

I congratulate Mr. Barry Morris on his success and ask unanimous consent to insert the statement by the Consulting Engineers Council in the RECORD in full.

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

STATEMENT BY THE CONSULTING ENGINEERS COUNCIL OF METROPOLITAN WASHINGTON

"A physical handicap is mostly in the mind." The statement of an unaffected observer? Hardly. It's the opinion of A. Barry Morris, a young man who was born with multiple handicaps: no right forearm or hand; a left hand with three fingers only; no right leg; no left foot. It was only after a long series of operations that one of his three fingers was made into a thumb.

For those who know Barry, his attitude toward handicaps is perfectly in keeping with his character. For despite all his handicaps, Barry chose engineering drafting as a career, and is employed by the consulting engineering firm of Hurst and Adams, Falls Church, Virginia.

But Morris is far more than just a draftsman. In fact, he may very well be the finest draftsman in the entire metropolitan Washington area. For the past six years, Barry Morris has won first-place honors in the plumbing category of the Annual Drafting Competition of the Consulting Engineers Council of Metropolitan Washington. And for four of those six years he has won the overall title of Draftsman of the Year. And this year, in the Seventh Annual CEC/MW Drafting Competition, Barry Morris has done it again, and will once again receive the silver tray symbolic of the title, Draftsman of the Year 1973.

Nor has judging ever been influenced by Barry's handicaps. All entries, and this year there were 60, have all identifying material removed before judging, and judges selected are not affiliated with CEC/MW. This year the Consulting Engineers group had some 100 judges—students at the Washington Drafting School, each casting a ballot on entries which had no identification whatsoever, judged on their excellence alone.

And just as Barry's occupational record would be enviable for anyone with or without a handicap, so is his personal life. Married and the father of three children, the 32-year-old Morris finds time to coach the Woodbridge, Virginia, Boys Club football and basketball teams; to participate actively in an area drug abuse prevention program as well as a program designed to provide vocational education for the handicapped and, "when I find the time," to visit and talk with Vietnam veterans at Walter Reed Army Hospital who must learn to live with handicaps. "It's particularly tough on them," Morris comments, "because they know what they're missing. I've never had it to miss."

According to CEC/MW President Claude R. Engle, Jr., this will be Barry's last opportunity to win the Draftsman of the Year award, to give other entrants more hope for success. In fact, the award itself is being redesigned for next year. It's new name: The A. Barry Morris Award for Excellence in Drafting.

SPECIAL EDUCATION REVENUE SHARING

Mr. BAYH. Mr. President, I rise to express my concern about special education revenue sharing, which has been proposed by the Office of Education to replace the specifically targeted programs that have been the hallmark of Federal aid to education since passage of the Elementary and Secondary Education Act of 1965.

This would turn education funds over to the Governors, legislators, and/or State education chiefs who would have substantial discretionary authority on how they should be distributed. Under such a plan the continuation of key programs would become a matter of State option.

Besides the inevitable elimination of certain programs under the special education revenue sharing, there would be the annual uncertainty of how each State would apportion its Federal assistance. Such uncertainty makes it difficult to do multiyear planning which is essential for many education programs. Bringing a youngster along over a period of years requires some assurance of sustained funding. The absence of such an assurance could well require the abandonment of successful and constructive educational programs.

Besides this serious problem with education revenue sharing, there is great concern about the fact that the proposed education budget actually calls for a decrease in Federal assistance.

To reduce Federal assistance to education, when costs are rising, is not only unfortunate; it represents an insensitivity to the need for quality education. Moreover the proposed cutback—more than $200 million from this year to next—comes at a time when the ability of localities to meet climbing education costs is strained to the limit.

There is no better investment in the future of this country than that which we put into the education of our young people. If that education is to be adequate there must be decent facilities, fairly paid and properly trained teachers, and the equipment essential to a successful educational program.

There are other weaknesses in the Of-

fice of Education proposals which give cause for concern:

The administration's new budget will discontinue certain impact aid which has helped Indiana school districts where there are tax-exempt Federal facilities.

There is no assurance, such as that which has been provided annually since 1967, that individual districts will receive funding at least equal to that of previous year. This assurance is important since it permits planning and taxing at the local level in a consistent manner.

Vocational education, an important program in providing training for large numbers of students, is losing its special designation and being included in the education revenue sharing. This threatens vocational training programs which are essential if these young people are to develop job skills.

As the teaching profession is constantly upgraded, and as the need for better facilities grows, we must not retreat from our commitment to provide the support necessary to give every child the best possible education. This is not an inexpensive objective, but it is one to which we must give a top priority.

With this in mind, as a member of the Appropriations Committee I intend to examine special education revenue sharing closely with the goal of making certain the Federal Government provides maximum possible assistance for worthwhile education programs.

DeVERE L. SHEESLEY OF PENNSYLVANIA

Mr. SCOTT of Pennsylvania. Mr. President, a Pennsylvania businessman and constituent, Mr. DeVere L. Sheesley, chairman and chief executive officer of the Brockway Glass Co., has been elected chairman of the Glass Container Manufacturers Institute, a trade association representing glass container and closure producers operating nearly 100 plants from coast to coast. I take this opportunity to congratulate him on this new honor.

The Glass Container Manufacturers Institute serves its industry members in many ways designed to expand the market for their products, thereby helping to provide steady employment for the more than 77,000 people involved in its manufacturing process. At the same time, GCMI is a leader in the efforts to improve our environment and has been working directly with the Environmental Protection Agency in the development of the new solid waste treatment systems.

DeVere Sheesley is the kind of socially responsible business leader ideally suited to serve as the institute's chief executive officer. For the past 25 years, he has been an officer and director of Brockway Glass Co., and has been its chief executive officer since 1968. Throughout that time he has been equally involved in community affairs.

During his association with it, Brockway Glass Co. has become the Nation's second largest glass container manufacturer. We are proud that this major national company, which provides employment for more than 10,000 people in 17 plants located in 10 States, is headquartered in western Pennsylvania.

SOME COMMON ARGUMENTS AGAINST THE GENOCIDE CONVENTION: AN ANALYSIS

Mr. PROXMIRE. Mr. President, in January 1967, I vowed to speak daily on the Senate floor in favor of ratification of the Genocide Convention. Since then, I have received a steady flow of mail on the subject, some of it critical of the convention. In my daily speeches, I have tried to show why these criticisms are invalid, and to convince the Senate that the convention should be ratified.

One common objection to the convention states that we should not ratify it because, no matter what, Communist nations will not abide by the convention, their ratification notwithstanding. The conclusion of this line of reasoning is that the United States should not be a party to a treaty that limits our actions, but not the actions of Communist nations.

This overlooks the basic function of the Genocide Convention. As with any enactment of statutory prohibition, the function of the convention is to deter the acts outlawed by it. It does not insure that violations will not take place. It does not insure that violators will be punished. But it will act as a deterrent, and the degree of the deterrence will depend upon the vigor with which the convention is enforced. To say that others might not abide by the convention is hardly a reason why we should not ratify it—rather, this indicates that we should not only ratify the convention, but work to see that it is vigorously enforced.

The Genocide Convention should be considered on its own merits. When it is, I am confident that the arguments will overwhelmingly favor ratification.

BASIC OPPORTUNITY GRANTS

Mr. BAYH. Mr. President, one of the bright spots in a somewhat disappointed allocation of priorities in the proposed education budget for the next fiscal year is the request for full funding of the new program of basic opportunity grants. These grants were written into the major Higher Education Act approved by the Congress last year.

The goal is to assure every student pursuing his or her education beyond high school a maximum grant of $1,400 a year, minus that amount which the student and his parents could reasonably be expected to contribute to his education. Each grant may cover up to one-half of a student's college costs.

Unfortunately, the rest of the budget request for higher education is not as encouraging. I am very much concerned about these aspects of the administration budget requests:

The budget proposes a sharp reduction and the ultimate elimination of national defense student loans which have played a significant role in enabling many of today's teachers to complete their education.

The budget calls for an end to Government subsidized interest on privately placed loans for higher education facility construction. This is not a very expensive program, but it has proven helpful in keeping down the cost of borrowing for colleges and universities which need new or improved physical facilities.

Health training funds have been sharply reduced causing great and understandable concern at nursing schools in Indiana and across the country. I have heard from hundreds of nursing students who rely on Federal grants and loans to pursue their education, many of whom will have to leave school if they lose Federal support.

While the Congress last year authorized $200 million for construction grants to institutions of higher education, there are no funds requested for this program in the administration budget. Federal support has enabled many schools to meet existing needs, but it would be foolish to assume that all such needs are now satisfied. Many schools face a tight financial pinch, and desperately need Federal aid to construct necessary facilities to assure their students of the best possible education.

Federal support for language training and area studies under title VI of the National Defense Education Act is being terminated. This has been a program of great value to professors specializing in languages and foreign studies and has paid substantial dividends.

Full funding of the basic opportunity grants to students who pursue their education beyond high school is most welcome. However, this program does not remove from the Federal Government its responsibility to continue to fund at adequate levels other higher education programs of importance to students and the institutions they attend. Higher education is crucial to our continued development and deserves sustained Federal support.

This recognition of the need not to retreat from the proper Federal role will be a high priority for me as a member of the Appropriations Committee during consideration of the budget.

EARTH WEEK—1973

Mr. FULBRIGHT. Mr. President, in April 1970, at the time of the first Earth Day, I spoke in the Senate about some of the environmental problems facing the country and what might be done to improve the situation.

I am pleased to report that progress has been made on some fronts. Two of the subjects which I discussed were, in my view, correctly acted upon by the Congress. The first of these was the question of Federal funding for the supersonic transport—SST—aircraft. This was a project which I had consistently opposed since it was first proposed and which I believed was neither environmentally nor economically sound. I am glad that Congress, after considerable debate, did vote to end funding for the SST.

A second matter in which I was particularly interested was legislation which I had proposed, along with Senator McCLELLAN, to make the Buffalo River in Arkansas a national river and a part of our National Park System. Last year this legislation was approved by both Houses of Congress, signed by the President, and

now we will be able to preserve, in its free-flowing natural state, an important segment of this beautiful river in an area which contains many unique features.

While I am pleased about these developments as well as some others in the the environmental field, Earth Week 1973 reminds us of the many serious problems we still face, particularly in regard to energy. Earlier this week I mentioned two of the fuel problems that currently affect my State—the shortage of natural gas and a potential shortage of diesel fuel for farmers.

The energy crisis is a national challenge. It challenges us to conserve our resources and to apply our technology constructively. One of the more obvious avenues that we need to pursue is to develop alternative sources of energy. In the past, Federal research and development of new energy sources has been given low priority, while billions have been spent in developing exotic weapons and on the space program. I hope we can reverse this situation and give proper attention to this important need and the possibilities of using solar and geothermal energy and synthetic fuels as well as making better use of those sources already available.

One step we must take is to carefully reconsider our heavy dependence on high-horsepower automobiles which consume fuel at a rapid and steadily increasing rate. I think we must consider action to bring about a more sensible usage of fuel for automobiles.

While I am convinced of the need to develop new sources for fuel and to insure access to those existing sources, I am equally convinced that we can and must make much more economical use of the fuel that is available and conserve wherever possible.

THE U.S. TARIFF COMMISSION—GRATITUDE FOR A JOB WELL DONE

Mr. RIBICOFF. Mr. President, I have a great respect for the work of the U.S. Tariff Commission, an independent, fact-finding agency organized to perform research on matters pertaining to international economics and foreign trade.

With a relatively small staff of 300 consisting mainly of economists, commodity analysts, lawyers, accountants, and statisticians, it turns out a huge amount of important and valuable research on issues vital to the foreign trade policy of the United States.

Some time ago the Commission embarked on four major studies at the request of the distinguished chairman of the Finance Committee (Mr. LONG) and myself, in my capacity as chairman of the Finance Committee's Subcommittee on International Trade. One already completed was a study of customs valuation procedures by the United States and foreign countries. The study suggested uniform standards of customs valuation which would operate fairly among all classes of shippers in international trade. Two other studies yet to be issued will deal with nontariff trade barriers among the principal trading nations and a study of the nature and extent of tariff concessions granted by U.S. trade agreements.

The fourth and most important study recently completed by the Commission dealt with the implications of the operations of multinational firms on world trade and investment. Nine hundred and sixty-eight pages in length, it is one of the more definitive analyses yet produced on this increasingly important subject. This study has received wide critical acclaim from many quarters, both here in Washington and elsewhere. It marshals a wealth of heretofore unavailable information in an objective analysis of the impact of U.S.-based multinationals on world trade and investment, the international monetary system, and most importantly, employment in our own country. I would like to commend all those on the Commission who produced this valuable document.

Major studies are only one part of the Commission's rapidly expanding workload. Over the years Congress has given it heavy investigative responsibilities as well as a key role in preparations for trade negotiations.

A substantial amount of the Commission's work today is carried out under its authority to investigate all aspects of international trade including trade adjustment assistance, unfair trade practices, antidumping, and agricultural adjustment assistance.

At the same time, it has also prepared 17 reports for the Congress on proposed legislation and handled many letters and phone calls from Members of Congress, executive agencies, and the public. Last year, the Tariff Commission issued no fewer than 94 separate publications.

At present the Commission's most urgent and immediate responsibility is to provide advice to the President and Congress in connection with trade legislation and trade negotiations. It must also provide technical assistance and policy recommendations to our negotiating team.

As the Congress gives careful consideration in the months ahead to important trade legislation, I am confident we will be able to rely on the expertise of the Tariff Commission.

CULEBRA

Mr. HUMPHREY. Mr. President, Culebra has become well known as the small, inhabited Puerto Rican island that serves as a training target for Navy bombs and shells. I first heard of this incredible situation from a Culebran family I met on St. John Island in December of 1970. I knew the Navy shelled Culebra but I had no idea Culebra was an inhabited island until that day. After hearing a first-hand account of what life on a target is like I promised the Culebran couple I would do what I could to end this abuse. I intend to keep that promise.

Even a Defense Department study concluded that the gross error rate at Culebra is "unduly high for training operations in an area where there are nonparticipants within the weapons delivery range." Beginning in 1972, the Navy did substitute nonexplosive rounds for the explosive warhead shells it had traditionally fired at Culebra, but this has not significantly enhanced the safety of the Culebrans. The nonexplosive rounds are projectiles like bullets or cannon balls. When they go astray, they can kill or maim. Indeed, a recently declassified Navy study indicates that the problem of ricochet is considerably greater in the case of these nonexplosive rounds than was experienced with the explosive warhead shell.

It is becoming clear, however, that the Navy's insistence on continuing its training at Culebra affects more than 700 U.S. citizens residing there. Culebra has become the crucial test of the unique relationship between the United States and its only commonwealth, Puerto Rico. It has brought into question the credibility of the U.S. Government.

The United States gave its word to the people and government of Puerto Rico that all naval training at Culebra would terminate by June 1975. This commitment was repeatedly expressed by Defense Secretary Melvin Laird to Puerto Rico's former Governor, Luis Ferre.

On December 27, 1972, Secretary Laird abruptly reversed himself and reneged on this formal commitment of the U.S. Government. The Secretary indicated that Naval bombardment and shelling at Culebra would continue indefinitely and at least until 1985. He announced that aerial bombardment of the keys adjacent to Culebra would be increased substantially.

This reversal stunned our friends in Puerto Rico. Former Gov. Luis Munoz-Marin, who is held in the highest esteem by many Members of this body who have known him personally over the years, believes that this failure to live up to a formal commitment strikes at the very heart of the Commonwealth relationship which, in his opinion, is necessarily premised on a foundation of mutual respect and trust.

The reaction in Puerto Rico to Secretary Laird's December 27, 1972, announcement led to action that is totally without precedent in the history of Puerto Rico. All four men elected Governor through Puerto Rico's history, representing three political parties that differ considerably on many issues, joined in signing a letter sent to each Member of the U.S. Senate who has not yet agreed to consponsor S. 156, a bill introduced by Senator BAKER and myself to terminate naval training at Culebra by July 1, 1975. This letter of the four Puerto Rico Governors urges each Member of the Senate to consponsor our bill.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the text of this letter dated March 28, 1973, from Gov. Rafael Hernandez Colon and former Governors Luis Munoz-Marin, Roberto Sanchez Vilella, and Luis A. Ferre.

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

"DEAR SENATOR ———: On January fourth of this year, Senators Baker and Humphrey introduced a bill, S. 156, that would require the Department of the Navy to terminate all shelling and other weapon range activities on the small, inhabited, Puerto Rican Island of Culebra. This bill would do no more than

reaffirm previous commitments made by the Department of Defense to the Government of Puerto Rico.

A recently declassified Navy study concludes that there are feasible alternatives which are operationally acceptable, if not preferable, to Culebra. On the basis of this, as well as other studies that have been completed by defense experts, we are convinced that the need of the Navy and national security can be met fully without the use of Culebra.

The people of Puerto Rico, who are, of course, citizens of the United States and who share a common interest in the legitimate needs of the armed forces of the Nation, are united on this issue. We, the four elected governors of Puerto Rico, join together in this non-partisan plea to you to add your name to those of thirty other senators of both parties, including majority leader Mansfield, and minority leader Scott, who are co-sponsors of S. 156.

Sincerely,

RAFAEL HERNANDEZ COLON.
LUIS MUNOZ-MARIN,
ROBERTO SANCHEZ VILELLA.
LUIS A. FERRE.

Mr. HUMPHREY. Senator BAKER and I are encouraged that the following 32 Senators have joined with us in cosponsoring this legislation to make good on the promise of our Government:

LIST OF COSPONSORS

Senator Alan Cranston, D.—Calif.
Senator Mike Mansfield, D.—Mont.
Senator Edward M. Kennedy, D.—Mass.
Senator Abraham Ribicoff, D.—Conn.
Senator Frank E. Moss, D.—Utah
Senator William D. Hathaway, D.—Maine.
Senator Edward W. Brooke, R.—Mass.
Senator Adlai E. Stevenson, D.—Ill.
Senator James Abourezk, D.—S. Dak.
Senator George McGovern, D.—S. Dak.
Senator Robert W. Packwood, R.—Oreg.
Senator Pete V. Domenici, R.—N. Mex.
Senator Jacob K. Javits, R.—N.Y.
Senator Edmund Muskie, D.—Maine.
Senator Harrison A. Williams, Jr., D.—N.J.
Senator Mike Gravel, D.—Alaska
Senator Ted Stevens, R.—Alaska
Senator J. William Fulbright, D.—Ark.
Senator Hugh Scott, R.—Pa.
Senator Walter F. Mondale, D.—Minn.
Senator Philip A. Hart, D.—Mich.
Senator William Proxmire, D.—Wis.
Senator Birch Bayh, D.—Ind.
Senator Harold E. Hughes, D.—Iowa
Senator Thomas F. Eagleton, D.—Mo.
Senator Clifford P. Case, R.—N.J.
Senator Charles H. Percy, R.—Ill.
Senator Mark O. Hatfield, R.—Oreg.
Senator Floyd K. Haskell, D.—Colo.
Senator Joseph R. Biden, Jr., D.—Del.
Senator Marlow W. Cook, R.—Ky.
Senator William V. Roth, Jr., R.—Del.

Mr. President, fortunately, Culebra is a problem that can be resolved to the benefit of our Navy as well as the people of Puerto Rico. Upholding the honor of this country on the issue of Culebra is fully consistent with our national security interest in providing adequate training for the U.S. Navy. The prestigious Armed Forces Journal, known for its intelligent and effective advocacy of a strong military posture, editorialized in its April 1973 issue that it is up to Congress to assist the Navy by protecting those interests of the Navy which the Navy seems too ready to jeopardize—a strategic interest in a continuing Navy presence at Roosevelt Roads as well as continued use of Vieques, its primary training target in the Caribbean. This editorial by Mr. Ben Schemmer, publisher of the Armed Forces Journal and a noted authority on military affairs, documents the fact that there are uninhabited alternatives available to the Navy which even the Navy's own study concedes would be "suitable from an operational viewpoint" and in some respects even superior to Culebra for training purposes.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the text of the editorial entitled "Culebra—Go Away" published in the April 1973 issue of the Armed Forces Journal.

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

CULEBRA—GO AWAY

(By Benjamin F. Schemmer)

Nothing gives us less pleasure than to raise again an issue called "Culebra." We thought the issue had been resolved two years ago when former Defense Secretary Melvin Laird stated publicly that the Navy would quit firing on the island by June of 1975 and told us he had directed the Navy to study "where" to relocate the Culebra targets.

There's no future for AFJ on Culebra. It's a losing proposition. We don't have one subscriber on the island. We wish Culebra would go away—but it won't. Every time we *mention* the issue, our motives are indicted, senior Navy officials (*some* but by *no* means all) ask if we've "sold out," and our usually constructive "dialogue" with top Navy officials cools noticeably.

But the *Navy*, not AFJ, has much of *its* future at stake over Culebra. What bothers us is how little the Navy seems to perceive, or address, the *real* issues.

Congress has a rare opportunity to help the Navy resolve this long-festering political issue that threatens its continued strategic presence at Roosevelt Roads, as well as Vieques, its primary training target in the Caribbean. But the chance is slipping away fast. We're counting on Otis Pike to save the day for the Navy.

The move—shifting operation from Culebra to an uninhabited island—would have the added values of improving Navy training and saving money.

A recently declassified Navy study concludes that such alternatives are available and "suitable from an operational viewpoint." In one important respect, such an alternative was found to be superior to Culebra, constrained as that tiny, inhabited target is by safety considerations. In periods of peak use, the Navy says, "two bombing/rocket targets should be available for simultaneous use." The proximity of the Culebra air-to-ground targets "to one another and the flight patterns necessary to provide safe firing bearings are such that only one of these targets may be used at any one time."

By contrast, the Navy study points out that "all of the [alternative] sites evaluated—including Mona together with Monito [both uninhabited] [and] Desechco [also uninhabited]—are suitable for conduct of all the required types of naval gunfire and aircraft weapons exercises." As the study points out, "The size of Mona permits the use of the *two* aircraft target areas *concurrently* with one another and with the naval gunfire target area" [emphasis added]. As for ships firing on islands so far removed from Roosevelt Roads, it could even add to their training: after all, sailors have to learn to navigate and maneuver as well as shoot. Moreover, the study notes that there are more varied angles and firing ranges than are possible at Culebra.

Obviously, a shift of operations from the inhabited island of Culebra to an uninhabited site would eliminate the present risk to civilians of gross errors: An earlier Defense Department study concluded that the gross error rate at Culebra is "unduly high for training operations in an area where there are non-participants within the weapons delivery range."

The cost of achieving these real training improvements is about $10 million less than what the Navy will spend this year at Atlantic Fleet Weapons Range. As the Navy study points out, however, much (possibly all) of this cost would be offset over time by gains to the total U.S. economy. The study indicates that *remaining at Culebra is the most costly alternative* on an annual basis.

In light of these findings and Secretary Laird's public commitment that the Navy would stop shelling Culebra by June 1975, why did he reverse his stand last December (Feb AFJ)? The *only* hint we can find in the Navy study (which led to his about-face) is a "political assessment" that we find incredible and disturbing. The study implies that the two major political parties in Puerto Rico do not oppose the Navy's continued use of Culebra. But documents made public by Sen. Howard Baker (R-Tenn.) and the repeated statements of political leaders in Puerto Rico leave little room to doubt that *all* political parties there are united in their determination to terminate Navy shelling of Culebra and in their sense of betrayal by Mr. Laird.

The Navy study says flatly that "neither" of the two major political parties "have any official platform advocating removal of the weapons range," thus implying that neither objects to keeping Culebra as a target within it. But the Popular Democratic Party *does* have, and had had, a platform plank to terminate the shelling on Culebra. And it carefully distinguishes between Culebra and Vieques, implicitly recognizing the Navy and Marine Corps needs to retain the latter (also inhabited, but with much better and larger safety buffers for its inhabitants).

What's at stake now, given Mr. Laird's about-face and reaction in Puerto Rico to it, is that Puerto Ricans conceivably could soon become so frustrated over the Culebra issue that they will in fact move to have the Navy give up Vieques as well.

But there are signs that Puerto Rico's new governor, Hernandez Colon, is anxious to work out a resolution of this dispute which takes full cognizance of the Navy's real training and strategic needs in Puerto Rico. Secretary of Defense Elliot Richardson committed, in his confirmation on hearings, to reassess Mr. Laird's December surprise announcement that the bombing and shelling of Culebra, past commitments notwithstanding, would continue indefinitely.

Mr. Richardson and the Governor met here on 1 March to discuss the issue. Mr. Richardson, we understand, will announce his decision soon. But—without going into detail—we are not persuaded that he has been getting the full story or a *balanced* assessment weighing *both* sides of the issue. Nor are we persuaded that the Navy really understands how much its strategic interests in the Caribbean could be in jeopardy or how the Culebra target alternatives stack up.

So it may be up to Congress to assure that the Culebra issue is finally decided on its *merits*—and, we regret to say, to protect the Navy from itself. Specifically, it's probably up to Representative Otis G. Pike (D-NY), head of the new House Armed Services Subcommittee on Military Installations and Facilities (see page 11), which has clear jurisdiction over the Culebra issue. Mr. Pike has made it clear to AFJ that his committee will hold "substantial hearings" on the matter "independent of what Mr. Richardson may decide."

Mr. Pike is also a friend of the Navy, a man of insight and political savvy—he is not known for slicing onions only one peel deep.

Culebra is a sore spot; sunlight is a great

disinfectant. What Puerto Rico and the Navy need to resolve this issue in a way that will serve the interest of *all* is just that, more sunlight. *We* don't want to prejudge the issues. Nor should the Navy, nor Mr. Richardson.

It's up to you, Otis.

Mr. HUMPHREY. Culebra also presents a significant environmental issue which is addressed in an article by Mr. Richard D. Copaken, Washington counsel for Culebra, published on the environment page of the Christian Science Monitor on Wednesday, April 11, 1973. Apparently, the Navy asserts it protects Culebra's environment because its maneuvers keep man's despoilment to a minimum, but Mr. Copaken observes that Culebrans do not accept the premise that continuous bombing and shelling is a necessary price of preservation and they challenge the Navy's record as protector of Culebra's natural environment. He backs up this challenge with the sorry history of Navy disregard for Culebra's extraordinary natural environment.

Even the Navy's own recently declassified study concedes this point:

Weapons training activities over the past 30 years has resulted in structural and sedimentary denigration of the reefs. The reef front off the Flamenco naval support range has little surviving ecological value. Ordnance impact on the coral platform west of the gunfire range has resulted in extensive physical damage. Reef damage at Ladrone Cay off Culebrita is also extensive. Benthic formations at this cay are almost completely destroyed, with entire colonies of coral shattered, overturned and smothered in silt and ordnance debris. Many coral colonies have aerial bombs embedded in them and the sea bottom is heavily cratered. Similar benthic damage exists surrounding the outlying target cays off Culebrita, Twin Rocks, Fungy Bowl and Cayo de Augua.

Continued damage of this nature and magnitude to offshore reefs may eventually result in changes in the wave action near Culebra's shoreline with increased and accelerated beach erosion. In such an event, wide, flat beaches, at Playa Larga and Flamenco, may become a steeper and coarser grained if waves break on the beach rather than on the barrier reefs.

Unless care is taken to protect the reefs during training operations and during subsequent detonation of unexploded ordnance, the long-term impact may be the destruction of the recreational value of these and perhaps other beaches on Culebra once they are no longer required by the Navy.

* * * * *

The Navy, in its "Draft Environmental Impact Statement for the Continuing Use of the Inner Range of the Atlantic Fleet Weapons Range" states that the aerial bombardment of Los Gemelos (Twin Rocks) and Cross Cay, at present activity levels (1971), though utilizing nonexplosive "puff" ordnance, results in destruction of birds, eggs, and nests. Thus, it can be expected that with current procedures and the future expansion to 1969 levels of activity, the destruction of eggs, young and adult birds will be proportionately greater on these two cays.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the text of the article entitled: "Culebrans Ask U.S. Navy for a Cease-Fire," published on the environment page of the Christian Science Monitor of Wednesday, April 11, 1973.

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

CULEBRANS ASK U.S. NAVY FOR A CEASE-FIRE

(Mr. Copaken, a former White House Fellow, has served for the past several years as Culebra's Washington counsel. As such, he has been concerned with both the people and environment on this Puerto Rican island which provides target areas for U.S. Navy training. The Navy maintains: "The Culebra complex offers such advantages over all other alternatives studied that none of these other alternatives can be considered reasonable.")

(By Richard D. Copaken)

CULEBRA, PUERTO RICO.—Some 726 Spanish-speaking, United States citizens reside on this tiny Puerto Rican island. For the most part, they fish or farm. Culebrans are poor, but they love their island home. Unfortunately, so does the U.S. Navy, which uses one-fourth of it as a convenient Caribbean training target.

Culebra has been bombed, shelled, and strafed continuously since 1936. Annually, the Navy invites navies from 20 nations to join in shelling the island.

Despite Defense Department promises that the Navy would find another training traget, bombs and shell are still dropping on Culebra—and being opposed by Culebrans and Puerto Rican Government officials. The controversy may reach a climax in this Congress as the result of a bipartisan bill sponsored by 33 senators, including Majority Leader Mike Mansfield (D) of Montana and Minority Leader Hugh Scott (R) of Pennsylvania to terminate all Navy operations at Culebra by July 1, 1975.

Culebra is a magnificent volcanic outcroping in the Atlantic, halfway between the main island of Puerto Rico and the Virgin Islands. Less than three by seven miles, this municipality of Puerto Rico is blessed with perfect weather, abundant wildlife, and pink and white sand. Over the last thousand years, currents and geography conspired to produce some of the finest coral formations in the entire world just off Culebra's coast.

Culebra's northwest peninsula serves as the target of offshore naval shelling; keys off Culebra's west coast are bombarded in air-to-ground operations. Two towns, Dewey and Clark, are within two to three miles of the targets. Some familes live even closer.

The Navy asserts it protects Culebra's environment because its maneuvers keep man's despoilment to a minimum. Culebrans don't accept the premise that continuous bombing and shelling is a necessary price of preservation, and they challenge the Navy's record as protector.

Approaching Culebra by plane, one is struck by its beauty. Blue-green water spread from shore. Dark swathes cut through a remarkably transparent sea, signaling enormous beds of coral below. Lagoons and lush green mountains, dotted with thousands of soaring birds, complete the picture of an idylic natural wonderland. But as the plane circles closer, the Navy's contribution comes into view. Amid nesting sooty terns and some rare and endangered species of birds, including the nearly extinct Bahamian pintail, lie target tanks and gaping craters—the pock-marked scars of naval shelling.

Culebrans experience constant anxiety. The Navy boasts of its safety record: Only one civilian killed, another child disfigured while playing with a dud, and nine Navy personnel killed when their observation post on Culebra was mistaken for the target. But, sporadically, shells have landed throughout the community. One hit a cistern less than 50 yards from the Town Hall in Dewey. A Defense Department report concluded that the gross error rate at Culebra is "unduly high . . . where there are nonparticipants within the weapons' delivery range." The Navy officer in charge of World War II training at Culebra observed: "It is a miracle that more Culebrans have not been killed."

Besides posing a continuing threat to an entire community, Navy shelling and bombing destroyed irreplaceable coral and fish, as well as birds in great numbers. Even though President Theodore Roosevelt set aside Culebra's keys as a National Fish and Wildlife Refuge in 1909, he authorized the use of these islands for "naval purposes."

Surrounding Culebra are some of the oldest living corals in the world, still in a state of climatic growth. They are breathtaking, as is the rich marine life they nurture. Naval training has taken its toll on both.

Culebra suffered an ecological disaster in 1970. The Navy, carrying out orders to rid Culebran waters of more than 30 years of accumulated duds, stacked all shells it could find on one of the most magnificent coral reefs in the entire Caribbean and then began detonating this ordnance.

After several smaller explosions destroyed considerable coral and massacred thousands of fish, angry Culebrans complained to Rafael Hernandes Colon, then Senate President and now Governor of Puerto Rico. He secured local counsel who went to federal court in San Juan on behalf of the Culebrans, seeking a temporary restraining order pending completion of an environmental-impact statement by the Navy as required by the National Environmental Policy Act.

When the matter came before Federal Judge Hiram Cancio on Dec. 7, 1970, the U.S. attorney representing the Navy persuaded the judge that his client would not conduct further explosions pending full review by the court and, consequently, that there was no immediate threat of irreparable harm.

At the very moment the Navy's counsel was giving these assurances—and unknown to him—a Navy demolition team pulled the pin for another ordnance-removal operation on Culebra's coral. When the Judge learned of the explosions, he immediately issued a temporary restraining order. For Culebra it was unfortunately late. A Navy study conceded that this explosion "left a crater 15 feet deep and 100 feet in diameter."

ALTERNATIVES STUDIED

In October, 1970, President Nixon signed a law directing the Secretary of Defense to study all possible training alternatives to Culebra. Three months later, Navy Secretary John Chafee signed a "peace treaty" agreeing to reduce activities on Culebra and to seek an alternative site.

When the congressionally directed study was published in April, 1971, showing that Culebra could be replaced. Secretary of Defense Melvin R. Laird promised the Puerto Ricans that he would transfer all Navy operations away from Culebra by no later than June, 1975. Pending release of a second congressionally mandated study that sought more detailed information on alternatives to Culebra, Secretary Laird reaffirmed his commitment in a Nov. 4, 1972, telegram to then Governor Luis Ferre. This was made public in Puerto Rico.

But on Dec. 27, 1971, Mr. Laird abruptly reversed himself and announced that Navy shelling at Culebra would continue indefinitely and at least until 1985. He claimed his reversal was based on a secret Navy study.

SUITABLE SITES FOUND

At the time it was assumed that this study found no suitable alternative to Culebra and that this information came to the Secretary after his November telegram to the Governor. When this study was declassified last month, however, Culebrans learned it concluded that a number of uninhabited island alternatives were "suitable for conduct of all of the required types of naval gunfire and aircraft-weapons exercises," and that at least one uninhabited site was admittedly superior to Culebra for Navy training. The study was dated Oct. 16, 1972—several weeks before Mr. Laird reaffirmed his commitment to terminate Navy shelling at Culebra.

The Culebrans and Puerto Rico returned to Congress in their pursuit of the promised peace. Sen. Howard H. Baker Jr. (R) of Ten-

nessee and Hubert H. Humphrey (D) of Minnesota introduced S. 156, a bill to terminate all Navy operations at Culebra by no later than July 1, 1975, by ending Navy funds for such operations beyond this date. Thirty-three Senators now cosponsor S. 156. And during his confirmation hearings, the new Secretary of Defense, Elliot L. Richardson, agreed to review Mr. Laird's reversal.

DETERMINATION VOICED

All four men elected Governor of Puerto Rico throughout its history, representing three political parties, and the Mayor of Culebra, strongly endorsed S. 156. Shortly before taking office. Puerto Rico's newly elected Governor, Rafael Hernandez Colon, reacted to Secretary Laird's reversal with unbowed determination.

"So now it is up to the United States Congress to make a decision. My intention and that of the people of Puerto Rico is to stop the Navy from its arbitrary use of Culebra as a target-practice range. We'll persist in that position."

Culebra and all Puerto Rico continue to hope that Congress or Secretary Richardson or President Nixon will make good on the promise of the United States Government to end the shelling, but the legislative and political process is slow. In the meantime, shells and bombs continue to fall on Culebra.

Mr. HUMPHREY. It is noteworthy that the Culebrans and Puerto Rican leaders are determined to preserve Culebra's unique natural environment. They have made it perfectly clear that they do not intend to lose to developers the peace and tranquility that they hope to achieve in their longstanding dispute with the U.S. Navy. Indeed, the Senate Committee on Interior and Insular Affairs has already taken action to implement this objective of the Puerto Ricans. A resolution adopted by this Senate Committee on June 16, 1971, directs the Secretary of the Interior to conduct in cooperation with the Governor of Puerto Rico a study of Culebra "to determine the highest and best use or mix of uses of the island's natural resources and the most feasible means of conserving, protecting, and developing the natural, scenic, recreational and wildlife and fish values of the island." I understand that the Department of the Interior and the Commonwealth government are working in close cooperation to impose whatever restrictions are necessary to preserve Culebra's wondrous natural environment as a unique national resource when the Navy ceases firing there.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks the text of a Senate Interior and Insular Affairs Committee resolution regarding Culebra adopted on June 16, 1971.

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

RESOLUTION

Resolved by the Committee on Interior and Insular Affairs of the United States Senate, That (a) the Secretary of the Interior, with the full cooperation and assistance of the Commonwealth of Puerto Rico, is requested to direct the Bureau of Outdoor Recreation and the Bureau of Sport Fisheries and Wildlife to conduct a study of Culebra Island and vicinity, including adjacent water areas, to determine the highest and best use or mix of uses of the island's natural resources and the most feasible means of conserving, protecting, and developing the natural, scenic, recreational and wildlife and fish values of the island. The study shall identify those areas that should be established as fish and wildlife refuges, scenic and recreation units, and development areas compatible with the natural environment of the island.

The Secretary of the Interior and the Governor of Puerto Rico shall coordinate the study, as appropriate, with other Federal, Commonwealth and local agencies. The Department of Defense is specifically requested to cooperate with the Department of the Interior and the Commonwealth of Puerto Rico in completing the goals of the study. The study will include the views of the Secretary of the Interior and the Governor of Puerto Rico for enhancing the recreation resources of this area by possible designation of the island as a National Wildlife Recreation area. The Secretary of the Interior and the Governor of Puerto Rico shall report their findings, recommendations, and cost estimates of any recommended plan to the Committee on Interior and Insular Affairs of the United States Senate by July 1, 1973.

Adopted this 16th day of June, 1971.

Mr. HUMPHREY. I urge all of my colleagues to join in a bipartisan effort to uphold the honor of the United States and to do justice to the long-suffering residents of Culebra by adding their names as cosponsors to S. 156.

A LOSS TO NASA AND THE WORLD

Mr. MOSS. Mr. President, all of us know that life itself is uncertain and fragile. One has only to read the daily papers to encounter frequent news of sudden death.

We understand also that a life dedicated to extending man's knowledge and power into the air and space surrounding Earth adds another measure of risk. Yet men dedicated to improving our lives here on Earth risk their lives every day in these pursuits. Some risks, like the Apollo flights, are taken in full view of the whole world. Others take risks quietly with little public notice.

Yesterday, over Moffitt Field near San Francisco, two planes collided. One, a Navy craft involved in an antisubmarine patrol, carried six men, five of whom died in the crash. All 11 men on the second plane died. That second aircraft was literally a flying laboratory—a NASA Convair 990 known around the world as a test bed for instruments designed to look outward toward the Sun and the stars for new information, and inward, at Earth itself, for knowledge of our environment and resources, and their preservation.

This NASA flight, one of many for the laboratory over the past 9 years, was an Earth resources flight; one mission of many to study the Earth from aircraft and spacecraft. The scientists, technicians, and pilots who died on that mission gave their lives, as have many before them, in the quest for a better life for all mankind.

They will forever be marked in that part of history which notes individual gifts for the good of all. Let their names be also recorded in the annals of the Senate:

Herbert V. Cross, James Remington, James P. Riley, Frank Brasmer, John W. Yusken, Phillip R. Wilcox, Gaeton P. Faraone, Roy Adkins, C. A. Robinson, E. Forslow, B. Sorenson.

Lt. Stephen A. Schwarting, Lt. Lonnie H. Kerkoff, Petty Officer James McDowell, Petty Officer William Russey.

THE TRANS-ALASKA PIPELINE

Mr. STEVENS. Mr. President, at its March 1, 1973 meeting, the Executive Committee of the National Association of Regulatory Utility Commissioners—NARUC—adopted an important resolution urging the building of the trans-Alaska pipeline. The National Association of Regulatory Utility Commissioners is a quasi-government organization which has been in existence since 1889. It represents the Regulatory Utility Commissioners of the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

These people and their agencies are intimately concerned with the regulations of utilities, many of which depend upon constant supplies of petroleum and petroleum products. Their stake in assuring an adequate supply of petroleum is important and immediate.

I request unanimous consent that this resolution be printed in the RECORD.

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

RESOLUTION RE OIL AND GAS PIPELINES FROM ALASKA

Whereas, This Nation is currently confronted with inadequate domestic oil and gas resources and prospects of further deterioration of such resources in the years ahead; and

Whereas, An adequate supply of gas and oil is essential to the Nation's economic and social health; and

Whereas, The increasing dependence upon foreign areas for oil and gas should be minimized to the greatest extent possible; and

Whereas, Substantial oil reserves of about 10 billion barrels and gas reserves of 26 trillion cubic feet have already been proven on the North Slope of Alaska and the potential for discovery of additional major reserves of oil and gas in that area seems good; and

Whereas, The construction of the proposed oil pipeline from Prudhoe Bay of Valdez, Alaska, and its environmental impact have been exhaustively studied for several years by the Department of Interior and other interested Federal agencies and Alaskan agencies and the construction of such line has been found by the Secretary of Interior to be appropriate and in the national interest; and

Whereas, A permit to be issued by the Secretary of Interior will provide appropriate safeguards to the environment; and

Whereas, Until oil can be produced and transported from Prudhoe Bay, the potential gas reserves badly needed in the lower 48 States cannot be produced; and

Whereas, Even if the project could be commenced immediately, oil cannot be made available in less than three years and gas a year or two thereafter; now, therefore, be it

Resolved, That the Executive Committee of the National Association of Regulatory Utility Commissioners strongly urges that appropriate legislation, including amendments to the Mineral Leasing Act authorizing the Secretary of Interior to grant rights-of-way of appropriate width for the construction and operating requirements of oil and gas lines, be promptly enacted by the Congress of the United States; and be it further

Resolved, That the Congress and the Executive Branch of the Government promptly initiate action to expedite the final approval and construction by industry of a gas pipe-

line from Prudhoe Bay through Canada to the lower 48 States; and be it further

Resolved, That the officers and the members of this Association promptly communicate this Resolution to the President of the United States and Members of Congress and that the Officers of the Association are hereby authorized to take such action, including appearances before the Congress and Federal Agencies of the Government, in furtherance of the objectives of this Resolution.

Mr. STEVENS. Mr. President, at its March 7 meeting, the Anchorage chapter of the Propeller Club of the United States passed a similar resolution supporting the construction of the trans-Alaska pipeline. This also is extremely important and I request that it be inserted in its entirety in the CONGRESSIONAL RECORD at this point.

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

THE PROPELLER CLUB OF THE UNITED STATES,
Anchorage, Alaska, March 7, 1973.

Be it resolved that the Propeller Club of the Port of Anchorage, Alaska, a member of the National Propeller Club of the United States supports the shipping of North Slope oil and gas from the Port of Valdez to the West Coast of the United States, in American bottoms, registered under the American Flag, and that this should occur just as soon as it is physically possible to complete pipe line construction without further unnecessary delay.

THE LEGAL PROHIBITION ON U.S. FINANCING OF SOUTH VIETNAMESE MILITARY OPERATIONS IN CAMBODIA

Mr. FULBRIGHT. Mr. President, there are growing signs that the administration is encouraging the South Vietnamese armed forces to move into Cambodia to prevent the collapse of the Lon Nol government.

In view of this possibility, I wish to call attention to a provision of law, approved by Congress in 1970, which prohibits use of Defense Department funds "to support Vietnamese or other free-world forces in actions designed to provide military support and assistance to the government of Cambodia or Laos."

This means that if South Vietnamese forces go into Cambodia they cannot expect the United States to foot the bill. There is a long and involved legislative history behind this provision. Since 1970 this prohibition has been restated in each annual Defense procurement authorization and appropriation bill.

I originated this amendment in order to carry out the intent of the Senate Armed Services Committee, stated in its report on H.R. 17123, that Defense Department appropriations shall not be used to "support Vietnamese and other free world forces in actions designed to provide military support and assistance to the Cambodian Government." There was general agreement in the Senate at that time the United States should not in any way become further committed to the Cambodian Government.

Unfortunately, the Senate's view has not prevailed and the administration appears determined to prop up the Lon Nol government regardless of the consequences. American prisoners of war have been returned home and our troops withdrawn from Vietnam. There is no justification for further U.S. military involvement in Cambodia or legal grounds for financing the costs of South Vietnamese operations in that country.

In order to make the record clear on this point, I ask unanimous consent to have printed in the RECORD the current law, a summary of the legislative history concerning this amendment, and a statement I made in the Senate on February 11, 1971, which includes a thorough legal memorandum on the subject by Hugh Evans of the Office of the Senate Legislative Counsel.

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

CURRENT LAW

6. ARMED FORCES AUTHORIZATIONS AND APPROPRIATIONS

a. Armed Forces Appropriation Authorization, 1966, as amended

Partial Text of Public Law 89-367 [H.R. 12889], 80 Stat. 36, approved March 15, 1966, as amended by Public Law 91-121 [S. 2546], 83 Stat. 204, approved November 19, 1969; Public Law 91-441 [H.R. 17123], 84 Stat. 912, approved October 7, 1970; Public Law 92-156 [H.R. 8687], 85 Stat. 427, approved November 17, 1971, Public Law 92-226 [Foreign Assistance Act of 1971; S. 2819], 86 Stat. 35, approved February 7, 1972; Public Law 92-436 [H.R. 15495], 86 Stat. 734, approved September 26, 1972, effective July 1, 1972; and Public Law 92-570 [Department of Defense Appropriation Act, 1973; H.R. 16593], 86 Stat. 1184, 1204, approved October 26, 1972.

An act to authorize appropriations during the fiscal year 1966 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, research, development, test, evaluation, and military construction for the Armed Forces, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

* * * * *

TITLE IV—GENERAL PROVISIONS

SEC. 401. (a) (1) Not to exceed $2,735,000,000 of the funds authorized for appropriations for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos [3]; and for related costs, during the fiscal year 1973 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States [4] may be used for the purpose of paying any overseas allowances, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos: *Provided,* That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of United States Forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war.

SUMMARY OF THE LEGISLATIVE HISTORY OF THE FULBRIGHT AMENDMENT RELATING TO THE PAYMENT FOR FOREIGN MILITARY OPERATIONS IN CAMBODIA OR LAOS

I. DEFENSE AUTHORIZATION BILL—H.R. 17123

The Defense Authorization Bill revised the language carried in defense authorization and appropriation bills in previous years in order to authorize specifically the financing of Vietnamese or other free world forces operations in the "sanctuary" areas of Cambodia. The Senate Armed Services Committee report on the bill stated, however, that there was ". . . no intent to permit the use of DOD appropriations under this authority to support Vietnamese and other free world forces in actions designed to provide military support and assistance to the Cambodian government." Senator Fulbright introduced an amendment to the bill to carry out that intent and to prohibit U.S. financing of any such activities in Laos as well. (A second Fulbright amendment prohibited paying special allowances to foreign troops greater than the rate of combat pay paid U.S. troops.)

The amendment was adopted by the Senate without opposition on August 21 and was accepted without change by the House conferees. The text of the entire section with the Fulbright amendment underlined follows:

"(a) (1) Not to exceed $2,800,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos and Thailand; and for related costs, during the fiscal year 1971 on such terms and conditions as the Secretary of Defense may determine. None of the funds appropriated to or for the use of the Armed Forces of the United States may be used for the purpose of paying any overseas allowances, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code) serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970. *Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos.*"

II. DEFENSE APPROPRIATION BILL—H.R. 19590

The language in the authorization bill, concerning the funding of Vietnamese and other foreign forces, has traditionally been carried in the Defense appropriation bill also. The Fulbright amendment added to the authorization bill was not included in the House version of the Defense Appropriation Bill, H.R. 19590. If the language had not been carried over from the authorization bill there would have been no practical restrictions on use of Defense funds to pay for Vietnamese or Thai operations in Cambodia or Laos. At Senator Fulbrights request, the restrictive language was included in the bill reported by the Senate Appropriations Com-

mittee and no objection was raised to the item on the Senate Floor.

The conference added a proviso to the amendment which made it read as follows (proviso added in conference underlined):

"Provided further, That nothing in clause (1) of the first sentence of this subsection shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos: *Provided further, That nothing contained in this section shall be construed to prohibit support of free world or local forces in actions designed to promote the safe and orderly withdrawal or disengagements of U.S. Forces from Southeast Asia or to aid in the release of Americans held as prisoners of war,"* . . .

The conference report was rejected by the Senate, by voice vote, on December 18 because of this item and the addition of a similar proviso to the Cooper-Church amendment. The second conference modified, but did not eliminate, the proviso. After considerable discussion in the Senate about the meaning and intent of the provision, the conference report was agreed to on December 29. The entire text of the section as agreed to, with the revised proviso underlined; follows:

"SECTION 838(a)—SUPPORT OF FREE WORLD FORCES

SEC. 838. (a) Not to exceed $2,500,000,000 of the appropriations available to the Department of Defense during the current fiscal year shall be available for their stated purposes to support: (1) Vietnamese and other free world forces in support of Vietnamese forces; (2) local forces in Laos and Thailand; and for related costs, on such terms and conditions as the Secretary of Defense may determine: *Provided,* That none of the funds appropriated by this Act may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States (under section 310 of title 37, United States Code (serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970: *Provided further,* That nothing in clause (1) of the first sentence of this subsection shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos: *Provided further, That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of U.S. Forces from Southeast Asia or to aid in the release of Americans held as prisoners of war."*

[From the Congressional Record, Feb. 11, 1971]

FINANCING FOREIGN MILITARY OPERATIONS

Mr. FULBRIGHT. Mr. President, apparently there is some confusion over the legal effect of a proviso added in conference to a provision in section 838(a) of the Defense Appropriation Act which prohibits financing of South Vietnamese or other foreign military operations in support of the Cambodian or Laotian Governments.

In a press conference on January 20, Secretary Laird, commenting on congressional restrictions relating to the war, said:

"We will follow those mandates. But as far as air and sea activities, the law is very clear that as far as the sanctuaries or as far as protecting the Vietnamization program, protecting American lives, insuring withdrawal, all of those terms are written very emphatically and clearly into the Congressional legislation, which passed in this last session of Congress."

There is no such language relating to use of American forces in any act passed by Congress last year.

A January 26 column by Col. R. D. Heinl, Jr., military analyst for the Detroit News, stated:

"In the defense appropriations act, passed at nearly the same time as Cooper-Church, Congress flatly said that any funds could be used for 'actions required to insure the safe and orderly withdrawal or disengagement of U.S. forces from Southeast Asia, or to aid the release of Americans held as prisoners of war.' "

This is exactly what we are doing in Cambodia.

Section 838(a) of the Defense Appropriation Act, to which Secretary Laird and Colonel Heinl apparently were referring, relates only to U.S. financing of military operations by foreign forces; it has nothing whatsoever to do with the President's use of U.S. forces, of any kind. In order to help clear up the confusion as to the meaning and application of the proviso involved, I asked the Senate legislative counsel to prepare a memorandum on the legislative history of the matter. Mr. Hugh C. Evans, of that office, has written a concise, thorough memorandum which I believe will set the record straight.

I ask unanimous consent that the memorandum and the column by Colonel Heinl be printed in the RECORD.

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

MEMORANDUM FOR SENATOR FULBRIGHT

This memorandum is written in response to your request, transmitted by Mr. Norvill Jones, for an opinion of this office regarding the third proviso of section 838(a) of the Department of Defense Appropriation Act, 1971 (P.L. 91–668). Specifically, you asked whether or not the language of that proviso provides any affirmative grant of authority to the President to use the Armed Forces of the United States in Cambodia.

I

The third proviso of section 838(a) of the Department of Defense Appropriation Act, 1971, was a provision which was added to that section by the conferees of the two Houses of Congress appointed to consider the differences between the House and Senate passed versions of H.R. 19590 of the 91st Congress. Section 838(a) provides as follows:

"SEC. 683. (a) Not to exceed $2,500,000,000 of the appropriations available to the Department of Defense during the current fiscal year shall be available for their stated purposes to support: (1) Vietnamese and other free world forces in support of Vietnamese forces; (2) local forces in Laos and Thailand; and for related costs, on such terms and conditions as the Secretary of Defense may detemine: *Provided,* That none of the funds appropriated by this Act may be used for the purpose of paying any overseas allowance, per diem allowance, or any other addition to the regular base pay of any person serving with the free world forces in South Vietnam if the amount of such payment would be greater than the amount of special pay authorized to be paid, for an equivalent period of service, to members of the Armed Forces of the United States under section 310 of title 37, United States Code serving in Vietnam or in any other hostile fire area, except for continuation of payments of such additions to regular base pay provided in agreements executed prior to July 1, 1970; *Provided further,* That nothing in clause (1) of the first sentence of this subsection shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos: *Provided further,* That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of U.S. Forces from Southeast Asia or to aid in the release of Americans held as prisoners of war."

A brief history of the development of the language of section 838(a) during the second session of the 91st Congress will provide some assistance in arriving at the intent and purpose of the language of the proviso here in question.

The text of section 838(a), authorizing the use of funds appropriated to the Armed Forces of the United States to be available for their stated purposes to support Vietnamese and other free world forces and local forces in Laos and Thailand, is essentially the same language contained in section 502 of Public Law 91–441 (the military procurement authorization Act for fiscal year 1971), which amended section 401(a) of Public Law 89–67, approved March 15, 1966 (80 Stat. 37). As passed by the House of Representatives, section 401 if H.R. 17123 of the 91st Congress, which subsequently was enacted as section 502 of Public Law 91–441 (the procurement authorization Act), amended subsection (a) of section 401 of Public Law 89–367 to read as follows:

"Funds authorized for appropriations for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (1) Vietnamese and other Free World Forces in Vietnam, (2) local forces in Laos and Thailand; and for related costs, during the fiscal year 1971 on such terms and conditions as the Secretary of Defense may determine."

The Senate Armed Services Committee retained that House provision but made two significant changes in the text thereof. It limited the amount of funds which could be expended under the authority granted to $2,500,000,000 and removed the requirement that the use of funds to support Vietnamese and other free world forces must be *in Vietnam* and authorized the use of such funds to support Vietnamese and other free world forces *in support of Vietnamese forces.*

The pertinent part of the amendment to section 401(a) of Public Law 89–376, as it was reported to the Senate by the Senate Armed Services Committee, reads as follows:

"(a) (1) Not to exceed $2,500,000,000 of the funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support: (A) Vietnamese and other free world forces in support of Vietnamese forces, (B) local forces in Laos and Thailand; and for related costs, during the fiscal year 1971 on such same terms and conditions as the Secretary of Defense may determine."

The $2.5 billion limitation had been included in the Act authorizing funds for military procurement for fiscal year 1970. The change made by the committee in the support language was very carefully explained by the committee in its report as follows:

"The Committee is of the opinion that the use of the authority in section 401 of the fiscal year 1970 act (and its related appropriation act provision) to support South Vietnamese and other free world forces in border sanctuary operations in Cambodia and in protective reaction strikes in these same areas was correct. Such action is in line with the policy of Vietnamization which in turn has and will continue to assist in the reduction of U.S. forces in Vietnam and the protection of such U.S. forces as remain in Vietnam. Doubt has been expressed by some that because of the use of the words "In Vietnam" in this section, as

to whether any support for South Vietnamese or free world forces outside of Vietnam in the sanctuaries of Cambodia is authorized. The Committee desires that there be no misunderstanding about the authority for those important actions and has accordingly changed the language of this section to remove all such doubt.

"In making this clarification it must be clearly understood that there is no intent to broaden the authorization beyond the support of participation in border sanctuary and related operations in order to protect U.S. forces in Vietnam or to accomplish protective reaction strikes. The purpose of the clarification is to make clear that the use of Defense funds is authorized to support in those areas of Cambodia where for the purposes of Vietnamization or the protection of U.S. troops military action becomes necessary.

"There is no intent to permit the use of DOD appropriations under this authority to support Vietnamese and other free world forces in actions designed to provide military support and assistance to the Cambodian Government," (PP. 106 and 107, Senate Report No. 91–1016, 91st Congress).

On August 20, 1970, while H.R. 17123 was being considered by the Senate, you offered an amendment to the committee amendment to section 401(a) of Public Law 89–367. You expressed concern that the removal of the requirement that support of Vietnamese and other free world forces must be "in Vietnam" might be looked upon as authorizing the use of funds to support Vietnamese and other free world forces to move into Cambodia and Laos and provide support to the Governments of Cambodia and Laos. Despite the statement contained in the report, you considered it very desirable to have in the statute language similar to that contained in the Senate report. Your amendment went one step beyond the report language in that it included a reference to the Government of Laos as well as Cambodia. In explaining your concern and the purpose of your amendment you said in part—

"Although the committee's stated intent was to make it clear that U.S. funds can be used to support Vietnamese operations in the Cambodian sanctuary area and for "protective reaction strikes in these locations" the change in language permits the executive branch to foot the bill for any operations the Vietnamese choose to undertake, including an invasion of Laos or China. And it would also permit the financing of any Thai operation in Laos or Cambodia as long as it is claimed that the action is to aid Vietnamese forces in these countries.

"There is certainly no assurance that the executive branch will follow the committee's restricted intent when the language in the statute is far more broad. And, the Senate has no assurance that the House conference report will not seize upon a generous—and quite different—interpretation of the new wording, superseding the effect which the Senate committee hoped to achieve. If the legislative history is confused, we can be sure that the executive branch officials who will be implementing this authority will choose the broadest interpretation possible. The only practicable way to insure that the language is not used to finance Vietnamese military adventures in Cambodia and Laos is to say so in the statute.

"The Senate is slowly but surely imposing effective limits on U.S. involvement in this tragic war. To approve the language in the bill, as now written, would reverse that process and invite a further expansion of the war by the Vietnamese and the Thais, using an American proxy. I hope that the Senate will continue to build on the record of the past and adopt this amendment by an overwhelming margin.

"Mr. President, as I conceive this amendment, it is, as I said, a further step in the same direction taken by the Cooper-Church amendment, which was passed by this body only recently. It is also consistent with the amendments offered by the Senator from Kentucky and others last December on an appropriation bill, forbidding the sending of American ground combat forces to Laos and Thailand.

"All we are saying now is that money in this bill shall not be used to finance Vietnamese troops to go into Cambodia or into Laos." (CONGRESSIONAL RECORD, vol. 116, pt. 22, pp. 29586–87.)

Subsequently, during the course of the debate on your amendment you reiterated the purpose of the amendment:

"My intention in offering the amendment was to express my explicit agreement with the Senator's statement in the report. That was my purpose; to show I agree with the Senator's sentiment expressed in the report. My difficulty is that I was afraid the language in the bill itself did not accurately and forcefully enough reflect the Senator's intention. My intention is the same as his. I do not want us to get involved in all-out support of the Government of Cambodia—and that is what the report said—or the Government of Laos.

"Then, the only question is, how to tie that down so that the administration would be in agreement with the Senator and me. It is not that I disagree with the Senator but we might find ourselves in disagreement with future administrations." (CONGRESSIONAL RECORD, vol. 116, pt. 116, p. 29581).

The amendment was agreed to on August 21, 1970, as follows:

"On page 19, after the period in line 8, insert the following: 'Nothing in clause (A) of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos.' " (CONGRESSIONAL RECORD, vol. 116, pt. 22, p. 29688).

That amendment was agreed to in conference without change and is the last sentence of section 401(a)(1) of Public Law 89–367, as amended by section 502 of Public Law 91–441, the military procurement authorization Act for fiscal year 1971. Another amendment offered by you to the same section 401(a)(1), relating to the use of funds under such section to pay free world forces in Vietnam, was also adopted by the Senate, agreed to in conference, and became a part of that section. The amount authorized to be expended under such section was set by the conferees at $2.8 billion.

Section 838(a) of the Department of Defense Appropriation Act, 1971, repeated the substance of section 401(a)(1) of Public Law 89–367 (as amended by the authorization Act) except for two changes: (1) the amount was reduced from $2.8 to $2.5 billion, and (2) the addition of the proviso here under consideration. The two so-called Fulbright amendments included in section 401(a)(1) of Public Law 89–367 are carried as the first two provisos in section 838(a) of the defense appropriation Act (Public Law 91–668). As originally passed by the House, H.R. 19590, which subsequently became Public Law 91–668, carried none of the provisos. The Senate added the two so-called Fulbright amendments and the third proviso was added by the Senate and House conferees at the insistence of the House conferees.

You were strongly opposed to the proviso added in conference. You were apprehensive that it could be interpreted as nullifying the intent of the second proviso relating to use of funds to support the Governments of Cambodia and Laos.

II

In attempting to determine the meaning of the proviso added in conference two points should be mentioned at the outset and kept in mind throughout the discussion: (1) section 838(a) deals only with authority to use funds appropriated for the use of the Department of Defense to support Vietnamese and other free world forces and local forces in Laos and Thailand, and (2) all three provisos are written in the negative, the first two imposing prohibitions on the use of funds made available under the section.

According to the discussion on the Senate floor during the consideration of the conference report on H.R. 19590, the House conferees insisted that the language of the last proviso be included to make it clear that the preceding proviso, relating to the use of funds to provide military aid to the Governments of Cambodia and Laos, did not prohibit the use of such funds to support Vietnamese and other free world forces in actions to promote the safe and orderly withdrawal or disengagement of United States troops from Southeast Asia or to aid in the release of Americans held as prisoners of war.

The debate on the Senate floor during consideration of the conference report on H.R. 19590 indicates that the conferees intended that the language have very limited application and was not any broad grant of authority.

Mr. ALLOTT. "Now, we come to the last few sentences, which is cause of concern to the Senator, and in view of the way he has been burned in the past, I can understand it:

"Or to aid in the release of Americans held as prisoners of war.

"I explained the House attitude on that, Now, the only question left is whether this is to be broadly interpreted, such as the Gulf of Tonkin resolution was stretched a few years ago. Is this to be taken as a resolution to permit these forces we are talking about in the beginning of section 838 to mount an invasion of Cambodia or Thailand or North Vietnam under the guise that it is done for the liberation of prisoners?"

Mr. FULBRIGHT. "That is correct."

Mr. ALLOTT. "I can only say this to the Senator. As far as I am concerned, there is no such element in it, and I am sure, listening to the conferees in the House all day, there is no such element as that in the minds of the conferees from the House.

"I am sure if the distinguished Senator from Maine were here, and she was another member of the conference, she would say the same thing. Other members of the conference were the Senator from Louisiana, the Senator from Arkansas, the Senator from Missouri, the Senator from North Dakota who is behind me. They would all say exactly the same thing: that *this is to be considered and interpreted in a restrictive manner and that is it is strictly what it says, which is to aid in the release of Americans held as prisoners of war.*

"Let me say for myself, and I am sure every member of the conference committee will agree, that as far as this is concerned, not one of us would vote for this language if we thought it meant by interpretation the possibility of an invasion, which the Senator from Arkansas is so concerned about. I do not know that I personally can add more than I have except to try to eliminate all of these other things and to bring it down to this one question and say this is how we all feel about it. I am sure no one disagrees with me."

Mr. YOUNG of North Dakota. "Mr. President, will the Senator yield?"

Mr. FULBRIGHT. "Certainly."

Mr. YOUNG of North Dakota. "I want to associate myself with the remarks made by the distinguished Senator from Colorado. There is no intent to broaden it. In fact, there is no possibility of that with South Vietnamese troops now in Cambodia. The fact that they are there makes this language more limiting in nature. There are two purposes for the assistance—our withdrawal of

troops and rescuing our prisoners. We do have about 75 prisoners in Cambodia. There might be a problem there. If there is, I do not think there could possibly be objection to trying to get them out. The South Vietnamese are presently helping Cambodia. I think this language to some extent serves the purpose of the language sponsored by the Senator from Arkansas."

* * * * *

Mr. COOPER. "I was very interested in the statements made by the Senator from Colorado, the Senator from North Dakota, and the Senator from Louisiana, all conferees. They provide an interpretation of this section. *Would they say the proviso must be construed to mean that our support of Vietnamese or other free forces goes only to their use to insure and to protect the withdrawal of U.S. forces from Southeast Asia?"*

Mr. YOUNG of North Dakota. *"That is exactly what the language says."*

Mr. COOPER. "We have argued for months in the Senate over the war power of the President. It has been interpreted many times on this floor that he has the power as Commander in Chief to protect American forces. I do not think there is any question about that. The differing ways that the power can be used is subject to debate, but in the present case—that is, regarding the war in Vietnam I believe the colloquy between the Senator from Idaho (Mr. CHURCH) and the Senator from Mississippi (Mr. STENNIS) on December 15 established very well what the power means.

"Do the Senators who are conferees agree that the proviso which appears in the conference report is designed chiefly for the protection of our Armed Forces under the constitutional power of the President?

"Would the Senator from North Dakota answer that question?"

Mr. YOUNG of North Dakota. "That would be my understanding of it."

Mr. COOPER. "What does the Senator from Colorado say?"

Mr. ALLOTT. "Yes; I shall be glad to answer for myself. Probably the right person to answer is the chairman of the committee, but the answer is 'Yes.' "

Mr. ELLENDER. "That is my answer."

Mr. COOPER. "The concern I have about the language has been expressed by the Senator from Arkansas, (Mr. Fulbright). But, I must say that the President of the United States and the Secretary of State have said publicly that the policy of the administration is withdrawal of our forces. In convention with the express policy of the President the interpretation given today is of extreme importance.

"Inasmuch as the language in question is the House language, I would like to ask the Senate conferees if their interpretation of the language is as important and as binding as the interpretation of the House managers?"

Mr. ALLOTT. "I would like to be corrected if either the Senator from North Dakota (Mr. Young) or the Senator from Louisiana (Mr. Ellender) have a different understanding, but in listening to all the discourse I detected not one word that would indicate that their interpretation of this language would be any different than the one we have tried to place on it on the floor. There was not one word said in the whole conference to indicate otherwise." CONGRESSIONAL RECORD, vol. 116, pt. 33, p. 43906.)

The explanation of the Chairman of the Appropriations Committee of the House of Representatives during consideration of the conference report on H.R. 19590 in the House would seem to remove any doubt that the proviso under consideration here relates only to the second Fulbright amendment regarding the use of funds to provide military aid to the Governments of Cambodia and Laos and was not intended to relate to authority of the President to use the Armed Forces of the United States.

Mr. MAHON. "On October 7 of 1970, the defense procurement authorization bill became law—Public Law 91-441. In that bill, language with respect to the use of defense funds to support South Vietnamese and other free world forces in Cambodia or Laos was carried as follows:

" 'Nothing in Clause A of the first sentence of this paragraph shall be construed as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos.

" 'This provision appeared to be a direct denial of any right on the part of the President to use funds in the Defense appropriation bill for the support of the South Vietnamese or other free world forces in their efforts to prevent a Communist takeover in Cambodia or Laos. From the standpoint of the House conferees on the Defense appropriation bill, this language, which had been enacted into law, was intolerable at this particular point in time.

" 'Almost identical language was incorporated in the Senate version of the Defense appropriation bill. The House conferees refused to adopt the language, tie the President's hands, and make it impossible for him to use funds in the bill to support South Vietnamese and other free world forces in their efforts to prevent a Communist takeover in Cambodia or Laos.

" 'So, in the first conference we had with the other body, we left this language, which became known as the "Fulbright amendment," in the bill, but we modified the amendment by attaching the following proviso:

" '*Provided further,* That nothing contained in this section shall be construed to prohibit support of free world or local forces in actions designed to promote the safe and orderly withdrawal or disengagement of U.S. forces from Southeast Asia or to aid in the release of Americans held as prisoners of war.'

"That language gave the President considerable latitude in the use of Defense funds to support the Vietnamese and other free world forces in their efforts to make Vietnamization operative, in their efforts to make the disengagement of U.S. troops possible, and in their efforts to prevent a very drastic deterioration in their military situation by a complete Communist takeover in Cambodia or Laos.

"So, in the conference today with the other body we agreed to include the objectionable language, which I have quoted, but we insisted upon a proviso which in substance is approximately the same proviso as was contained in the original conference-agreement. This relates to section 838 of the Defense appropriation bill. The new proviso is as follows:

" '*Provided further,* That nothing contained in this section shall be construed to prohibit support of actions required to insure the safe and orderly withdrawal or disengagement of U.S. forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war.'

"We thought that this sufficiently modified the provision in the bill which relates to the same subject and which was very restrictive upon the President.

"The fact is that the language in the Defense Procurement Authorization Act—Public Law 91-441—raised grave doubt in my mind as to whether or not that language actually would control the Defense appropriation bill carrying the money, but since this language had been almost identically repeated in the Defense appropriation bill in the Senate, it was thought we should take some action to modify what we consider to be the very damaging language to which I made reference.

"So it seems to me the House of Representatives has performed a good function in making it possible for the President to have the latitude which is required to exercise his judgment, to meet the situation in Southeast Asia from the standpoint of the use of South Vietnamese and other free world forces." (CONGRESSIONAL RECORD, vol. 116, pt. 33, p. 43809.)

Under basic rules of statutory construction, the proviso here in question must be read in the context of the entire subsection and not by itself. There is nothing in the entire provision relating to the use of the Armed Forces of the United States; the subject matter dealt with is the use of funds of the Department of Defense to provide foreign assistance to Vietnamese and other free world forces and to local forces in Laos and Thailand. Certain specific limitations were added by the first two provisos regarding the use of those funds. The third proviso merely states that a certain interpretation shall not be placed upon the language of the section. The last proviso confers no affirmative authority for any purpose.

It may be argued, of course, that since the Congress explicitly stated in the third proviso that the section is not to be construed to prohibit certain actions, it intended that such actions be authorized. Even accepting the validity of this argument, any authority granted by the proviso would be circumscribed by the basic purpose of the subsection. Consequently, the most that can be said to have been granted under the third proviso is a sanction to use the funds made available under section 838(a) to support Vietnamese and other free world forces and local forces of Laos and Thailand in "actions required to insure the safe and orderly withdrawal or disengagement of U.S. Forces from Southeast Asia, or to aid in the release of Americans held as prisoners of war." To the extent that Vietnamese or other free world forces engage in any action designed to support Cambodia or Laos, the support of such action is not prohibited if such action is required for one of the two purposes stated in the third proviso.

III

It would be a strained construction of the third proviso of section 838(a) to conclude that it confers any affirmative authority on the President to use the Armed Forces of the United States in Cambodia. It is the conclusion here that the proviso does not grant any such authority and was not intended by the Congress to do so. This conclusion is predicated upon the wording of the proviso itself to context with the rest of section 838(a) and upon the purpose and legislative history of that section.

Respectfully,

HUGH C. EVANS,
Assistant Counsel.

FEBRUARY 8, 1971.

[From the Detroit News, Jan. 26, 1971]

COOPER-CHURCH AMENDMENT IS HELD INTACT

(By Col. R. D. Heinl, Jr.)

WASHINGTON.—An immediate and foreseeable effect of the North Vietnamese military charades being conducted around and inside Phnom Penh has been to raise questions as to whether the "spirit" of Congress' Cooper-Church restriction on Cambodian operations is being violated by our forces.

The so-called Cooper-Church amendment was a Senate concoction adopted in conference by the House during closing moments of the late lameduck session. Its provisions are simple: no American ground troops or military advisers in Cambodia. This mandate is being rigorously adhered to.

Unfortunately, in the uproar of confusion and doubt that the word Cambodia instantly triggers, elements of the public, as well as editorial writers and politicians who really know better, are complaining that the "spirit" of Cooper-Church is being flouted by

the President's authorization of U.S. air and helicopter support for the Cambodians.

Such complaints—as the Communists well understand—impugn and discredit the domestic as well as the international veracity of the President and of our government in general.

To get at the "spirit" of Cooper-Church whatever it may exactly be, one has to look into the legislative history of the amendment, which is unusual to say the least.

To begin with, Cooper-Church represents a Senate notion, conceived in the covens of the anti-militarist New Left. It was never really passed by Congress at all, at least in the normal fashion.

The House of Representatives never debated Cooper-Church. Certainly the House didn't explore the implications of this amendment, let alone its "spirit." The only time the House ever specifically voted on Cooper-Church (in an earlier round nearly a year ago), it rejected it.

In the words of Rep. Samuel S. Stratton, New York Democrat, a senior member of the House Armed Services Committee, the restrictive amendment (which its sponsor, Senator Frank Church hailed as "an historic decision") was "slipped through in a conference committee as, frankly, a ransom to the Senate for getting their approval of the supplemental foreign aid appropriations for Cambodia."

Dismissing Cooper-Church as "a strictly shotgun wedding," Stratton bluntly said that the House (and the government) are committed only to the actual letter, and not to various broad or vague implications that its sponsors or supporters would like to read into it.

Looking behind the Cooper-Church restrictions and whatever they imply, it seems fair to ask those who are fussing so vocally—what do they really want?

Wind down the war? Cambodia or not, the war is irreversibly winding down (and the Communist rampage around Phnom Penh merely represents a desperate attempt to hype up U.S. opinion to the contrary).

Get the troops home? The troops are coming home. As this is written, we are 82,000 men ahead of (i.e., below) the troop ceiling scheduled for the present phase of our troop-withdrawal plans. All U.S. ground combat forces will be out of action in Vietnam by this summer.

Reduce American casualties? We had only 37 soldiers and airmen killed in Vietnam last week—a tenth of what were being inflicted before Mr. Nixon became president. More enlisted men are being killed in jeep accidents in Vietnam today than in combat.

Get Asians to fight thir own land wars (i.e., the Nixon doctrine)?

The Cambodians, aided by the South Vietnamese, are making a surprising and resolute fight to defend their own homeland against foreign Communist invaders from North Vietnam, now backed, according to intelligence sources, by North Korean and Chinese elements in northeast Cambodia.

All we are doing is providing a minimum of supplies and some air support in the clinches.

Those who agonize over some imagined infringement of the Cooper-Church restriction (which incidentally represented the first limitation Congress has ever placed on the President's power to send U.S. troops into combat overseas) ought to look at another provision by the same Congress.

In the defense appropriations act, passed at nearly the same time as Cooper-Church, Congress flatly said that any funds could be used for "actions required to insure the safe and orderly withdrawal or disengagement of U.S. forces from Southeast Asia, or to aid the release of Americans held as prisoners of war."

This is exactly what we are doing in Cambodia.

By helping to open Highway 4 into Phnom Penh, and by giving the Cambodians gear to fight their own battles, we are supporting an effort that keeps most of South Vietnam quiet, and will—despite Communist psychological warfare around Phnom Penh—assuredly facilitate continued orderly withdrawal of U.S. combat troops on schedule and as promised.

FRANK D. REEVES

Mr. HUMPHREY. Mr. President, I was saddened recently to learn of the death of Frank Reeves. I shall miss his friendship and his leadership in the field of civil rights. His wise counsel was sought by many members of Congress.

Frank Reeves was well-known in the legal and educational communities as well as in the political community. He had been associated with Howard University and had worked tirelessly for the NAACP. Frank Reeves was respected and admired by all those who knew him.

Mr. President, I ask unanimous consent that a press statement concerning the death of Frank Reeves, prepared by Ofield Dukes and Associates of Washington, D.C. be printed in the RECORD.

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

LEADERS MOURN DEATH OF FRANK D. REEVES

WASHINGTON, D.C.—Political and civil rights leaders are mourning the death of Dr. Frank D. Reeves, a longtime political and civil rights activist who was a close personal advisor to President John F. Kennedy.

Reeves, 57, died this past week at Freedmen's Hospital following a six-week confinement due to a stroke.

He had a long and distinguished career in the fields of Democratic politics, education, law and civil rights.

After becoming the first Black to be elected Democratic national committeeman from the District of Columbia in 1960, Reeves worked actively to help then Senator John Kennedy in the Democratic presidential primary, and seconded the nomination for him at the Democratic convention.

Once Mr. Kennedy became President, he appointed Reeves, who had traveled with him as a minorities advisor in his campaign, to a position at the White House as special assistant.

Reeves played an active part in the 1968 presidential campaign as a chief advisor to Senator Hubert H. Humphrey and assisted in developing plans for the Black Political Convention in Gary in 1972.

A Howard University graduate, Reeves was associated with its Law School for 30 years. He served on the Howard University Board of Trustees from 1961–1966. Beginning in 1940, Reeves joined Thurgood Marshall as an assistant counsel to the NAACP and the National Conference of Black Lawyers.

In 1954, he was one of the counsels in the cases which led to the historic school desegregation decisions by the Supreme Court.

Survivors include his wife, Senora, his mother, Mrs. Sarah Murphy, his father, Fred B. Reeves, two children, Daniel R. and Deborah, and two step children, Linda and Stephen Wood.

The following comments were made by friends of Frank D. Reeves.

Senator Hubert H. Humphrey—"The nation has lost a true and dedicated servant and humanitarian in Frank Reeves. He was a good and loyal friend, whose advice I sought and respected, and a man who believed in and worked for a more representative Democratic Party, and a country more responsive to the needs of the Black and the poor."

Percy Sutton, President, Borough of Manhattan, New York—"Frank Reeves was a giant. In the more than 25 years that I have known him and seen his brilliance in the courtroom, in a planning session, at a civil rights conference, at a rally or in our efforts to organize the National Conference of Black Elected Officials and subsequently in our organization, always Frank stood tall.

"Frank Reeves leaves large shoes. But all of us whose lives he touched will remember well that the shoes he wore were always pointed in the right direction.

"Whether the place was in New York City, San Antonio, Texas or a small town in Mississippi, he was always brilliant, warm and very, very decent. I liked him so much."

Mervyn Dymally, State Assemblyman, Los Angeles—"Frank's passing is a great loss to the legal, academic and political communities. He was a dedicated and sincere man.

"For me personally, he has been a friend for over 12 years. He has been a great help to me throughout my political career. I came to know him in the 60s during the New Frontier days when he was organizing Blacks in Los Angeles.

"On behalf of all the Black legislators in California, I join with his many friends in expressing our deepest sympathies to his family."

Louis Martin, former Vice Chairman of the Democratic National Committee—"Frank was a very great and generous spirit who helped all of us who are in politics. He was a pioneer in helping Blacks into the political arena. Many of the best known politicians today benefitted from the spade work that he did years ago.

"Frank served with distinction as the first executive director of the Joint Center for Political Studies. He made a unique contribution to the development of this organization and to its effective support of Black politicians in all parts of the country."

Richard Hatcher, Mayor of Gary, Indiana.—"I shall remember Frank Reeves as a good man for all seasons, a cutting edge of the Black political thrust, a bulwark of the civil rights movement and a lifelong ally of the historical forces for human justice."

Clarence Mitchell, Jr., Director, Washington Bureau, NAACP—"Frank Reeves was one of the able lieutenants in the great civil rights battles. He was tirelessly and deeply committed. His death leaves a great vacancy among those who worked for the rights of man."

Dr. Kenneth B. Clark, noted psychologist and President of Metropolitan Applied Research Center—"Frank's death creates the kind of void that cannot be filled. He has been unquestionably one of the most underestimated individuals in the whole civil rights struggle.

"He was directly involved from the year he graduated from Howard University Law School until his death. He joined the struggle when he worked for Thurgood Marshall at the NAACP and together they kept people from being legally lynched in our courts.

"There was a total personal involvement by Frank in the endless struggle for human dignity. He exhibited the 'Happy Warrior' style. He was not philosophic about his involvement; he never hesitated to consider what the advantages or disadvantages of his involvement would be to him. Whenever he could use any skill he had, he jumped into the fight. Whether it was in the *Brown* case in 1954 or in defending Adam Powell in 1967, he was there.

"Everybody respected Frank for his commitment, his drive, his unselfish devotion to the cause. Sure, there were those who argued with him, but the respect was always there.

"Personally, I have lost my brother."

Dr. James E. Cheek, President, Howard University—"As we mourn the loss of a colleague and friend, we cannot think about the

liberation of Black people without remembering Frank D. Reeves. Mr. Reeves used his political and legal talents to always advance the cause of Black Americans in their drive for social justice.

"He knew the value of education and took time from his activist career to teach law at Howard University for more than 30 years so that young Black men and women would be prepared to challenge and change the political, social and economic systems which control and exploit people simply because of their color or economic or social circumstances.

"When he seconded the nomination of John F. Kennedy for the Presidency in 1960, Frank Reeves said: 'Boldness must be the course of America and bold must be its leader.' These words he used to support John F. Kennedy described his own career. Frank Reeves was a bold man and his colleagues and students will miss him.

"He was a close personal friend and I always valued his wise counsel. I will miss him and am personally saddened by his death."

Vernon Jordan, Executive Director, National Urban League—"With the passing of Frank Reeves we have lost a great lawyer and a great humanitarian, one who dedicated his life to the struggles of Black people. And in so doing helped all people understand the meaning of freedom. Frank Reeves was a wise and courageous man whose unflagging commitment to equal rights signals a major contribution to our lives. We are all poorer for losing him, yet richer for his having passed our way. The Board and staff of the National Urban League join me in sending our sympathies."

John Morsell, Deputy Director, NAACP—"The NAACP family is shocked and grieved at the loss of Frank Reeves who was associated with this organization over a great many years as a member of the staff, Board of Directors, counselor, consultant and as a long time friend and supporter. Frank had the rare combination of practical and theoretical capacities which made him so extraordinary to us as a lawyer. We are going to miss him and we express our profound condolence to his widow and his family."

Senator Edward M. Kennedy—"As an educator, as a lawyer, as a civil rights activist and as a statesman, Frank Reeves served the Black community and our nation with distinction. I know how much my brother, President Kennedy, valued his advice and counsel in the 1960s, and his leadership and courageous representation of his people, our city, and the nation will be long remembered by those of us who had the privilege of working with him."

Congressional Black Caucus—"The members of the Congressional Black Caucus learned today of the death of Frank Reeves, a colleague in the field of American politics and government and a personal friend to all of us. Frank's tireless efforts in the struggle to improve and make better the lives of Black people and other minorities is well known throughout this country. Frank's contributions to Howard University over the years and his contributions to the Democratic Party were outstanding. In more recent years his contributions to the Joint Center for Political Studies were certainly well known in Washington and in places beyond. No man gave more to government and politics than did Frank Reeves.

POWER FROM THE SUN

Mr. MOSS. Mr. President, the country is slowly awakening from its Rip Van Winkle sleep of oblivion about the energy crisis.

If this country is to meet its energy needs we must put American ingenuity to work and develop all of the potential power sources. For example, the space program has shown us the use of solar panels for energy. It is my hope that research and development efforts can be expedited to find long range answers to our energy problems.

I call to the attention of the Senate an article from the April 16 issue of U.S. News & World Report and ask unanimous consent that it be printed in the RECORD.

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

POWER FROM SUN: THE SEARCH PICKS UP

(NOTE.—As signs of a fuel crisis grow more ominous, scientists are spurring efforts to tap the awesome power of the sun to help meet earth's energy needs.)

An age-old dream of man—harnessing the sun's energy—is moving close to reality. Solar heat is expected to be helping ease America's fuel shortages by the end of this decade.

The potential is enormous. Scientists say, for example, that just one day of sunlight on the surface of Lake Erie is equal to all the energy consumed by Americans in a year.

Much of the technology to tap this ever-present, nonpolluting source of power is at hand.

A Solar Energy Panel of top federal scientists has concluded that, with increased research and development, this timetable is possible:

In five years, solar energy could be heating many private homes and office buildings.

In less than 10 years, the sun's power could be running air-conditioning systems.

In five to 10 years, solar heat could be used to convert organic materials into fuel oil and methane gas. The latter is similar to natural gas and can be employed for the same uses. Experts say that this process is capable of providing the U.S. with a third of its gaseous fuels by shortly after the turn of the century.

Within 15 years, the sun's energy could be producing substantial amounts of electricity for American consumers.

HEATING HOMES, OFFICES

As prices of conventional fuels increase, interest is expected to quicken in drawing warmth from the sun to heat the places where people live and work. Another growing application of solar energy is seen in heating water for homes.

Eighty-four per cent of the average homeowner's fuel and electricity bills goes for running furnaces, air conditioners and water heaters. Over all, 26 per cent of all the energy consumed in this country goes for these three uses.

The experts are divided on the best way to trap the sun's heat in order to warm a home or other building.

Some hold that each building should have its own solar-energy system, because this would make for fuller use of the sun's widespread radiation. It would involve construction of relatively expensive equipment in every building.

Another group favors a centralized system with solar-energy "farms" providing power for whole communities. These farms would concentrate the sun's heat on steam boilers that would generate electricity.

There are at present about two dozen houses in the United States that use the sun's energy for heating. Four of them were designed and built by Harry E. Thomason, a Washington, D. C., patent attorney.

About 90 per cent of winter-heat requirements for Mr. Thomason's own home are provided by the sun.

Mr. Thomason has laid corrugated aluminum on his roof, painted it black to absorb the sun's heat, and covered it all with glass to hold the warmth. Water circulates from a 1,600-gallon tank up to the roof and over the sun-heated aluminum. A backup oil furnace in the basement heats the house in case a string of sunless days cuts into the solar equipment's efficiency.

The whole system, minus the oil furnace, costs about $2,500. Mr. Thomason figures this is about $1,000 more than a conventional heating system, but that long-term savings in fuel oil will erase the cost differential.

BULK COLLECTORS

Advocates of the solar-farm approach say that, to provide all the electricity the U. S. will need in the year 2000, about 14,000 square miles of land would have to be devoted to energy collectors. That is slightly more than the combined areas of Connecticut and Massachusetts.

These estimates were worked out by a husband-and-wife scientist team, Aden and Marjorie Meinel of the University of Arizona. The Meinels say that a 1,000-megawatt solar farm—producing about as much electricity from its steam-driven turbines as one of the country's largest nuclear reactors—would require 7 square miles of land for its energy collectors in southern parts of the U. S. Farther north, the size would have to be increased to compensate for more cloudy days and colder weather.

Solar water heaters installed on rooftops of homes were once a big business in parts of the U.S. For example, Miami, Fla., during the late 1940s had an estimated 50,000 such heaters in operation.

The emphasis in Miami was on sales, however, and not on quality of equipment. As a result, the booming industry soon faded. Small numbers of the water heaters are still sold and serviced in the South. Experts say the market could expand with a quality product. In Japan, Israel and the U.S.S.R., solar water heaters are a growing business. The French Government in 1970 built a 2-million-dollar, 1,000-kilowatt solar furnace in the Pyrenees to explore the sun's potential for industrial application.

SOLAR CELLS

Development of an inexpensive solar cell, using a crystal that chemically converts solar energy to electricity, would mean that a home's entire energy needs could be met by using only roof-top collectors.

Silicon solar cells now power scientific experiments aboard U.S. satellites in space. These cells convert the sun's energy to electricity with an efficiency of about 11 per cent. They are hand-made at a cost of around $7,000 per square meter. Experts say the efficiency will have to be doubled and the price cut down to less than $3 per square meter before the cell could achieve widespread use.

Utilization of solar cells would require storage of electricity for the night hours, and that also poses a problem. There are no large-scale, inexpensive storage batteries on the market such as would be needed for this system.

But scientists say that if demand were widespread, current problems with the solar cell and the batteries for storage would take care of themselves. There would be more money for research, and mass production would lower the costs.

ENERGY FROM SPACE

One of the most advanced blueprints for utilizing solar energy calls for putting giant "collector farms" into space orbit around the earth.

The basic idea was developed in 1966 by Peter Glaser, a vice president of Arthur D. Little, Inc., a Cambridge, Mass., research firm. Now Grumman Aerospace, Textron and Raytheon are all working on the concept.

Mr. Glaser proposes to use a space shuttle of more than 1,000 flights to put a collector

farm into earth orbit. This huge satellite, 7 miles long and 3 miles wide, would convert the sun's radiation to electricity in solar cells. The electricity would then be channeled to a central power station, converted to microwaves and beamed back to earth.

The receiver for the microwaves would be a saucer more than 4 miles in diameter. And, according to Mr. Glaser, each space station would be sending back to earth 1,000 megawatts of electric power.

The advantage of putting collectors in space is that the sun's radiation is not interrupted by weather or darkness, and power production could be maintained at an almost constant level.

Mr. Glaser claims the prototype of his satellite concept would produce electricity at a cost of about three to five times that of today's conventional sources.

FUEL FROM PLANTS

Another way to use the sun's energy is to let nature capture it in growing things. Then, by burning the material, or by more advanced conversion methods, a fuel is created.

One advanced application of this so-called biological conversion is known as pyrolysis. Using this process, man can extract methane gas and fuel oil from organic materials. In fact, the Environmental Protection Agency is helping Baltimore build a pyrolysis plant which not only will supply valuable fuel, but also will dispose of the city's organic wastes.

MORE MONEY

Research on all types of solar energy is now under way at more than a dozen universities and private organizations.

The National Science Foundation is asking Congress for three times as much money next year for solar-energy research—12 million dollars, compared with 3.8 million in the year ending June 30, 1973. This is still far short of the level of 100 to 150 million annually, recommended by the Solar Energy Panel.

Many of the early industry leaders in solar-energy research have dropped out of the field—Goodyear, Hoffman Electronics and Westinghouse, for example. But new interest is springing up among some utilities, aerospace companies and manuafcturers of "energy intensive" products such as aluminum and glass.

REASONS FOR DELAY

The fact that America has enjoyed an abundance of cheaper fuels is perhaps the leading reason why this country has been slow to exploit the sun's potential.

Two other natural problems hamper potential growth. First, solar energy is widely dispersed and therefore difficult to collect in usable quantities. And second, the sun shines only half the time at any one point on earth, creating a need for massive energy storage to provide power on cloudy days and at night.

The Solar Energy Panel is made up of experts from the National Science Foundation and the National Aeronautics and Space Administration. It sums up the future in these terms:

"There are no technical barriers to wide application of solar energy to meet U.S. needs . . . For most applications, the cost of converting solar energy to useful forms of energy is now higher than conventional sources, but [with] increasing constraints on their use, it will become competitive in the near future."

NATIONAL LIBRARY WEEK

Mr. PELL. Mr. President, this is National Library Week. It is impossible to read the President's statement launching the annual observance without more than a tinge of bitterness, for it was proclaimed by the President with the following words:

National Library Week gives appropriate focus to the great array of resources offered by our libraries to people of every age. . . . I ask all Americans during this special observance to share generously in the support of our libraries and to make the fullest possible use of the rich treasures they possess.

These ringing declarations come from a President whose budget for the coming fiscal year contains no Federal funds specifically designated for libraries—public, college, or elementary and secondary schools.

In their attempt to initiate a "redefined Federal role" in proven and popular programs of human services, the administration proposes to wipe out title II of the Elementary and Secondary Education Act, which during fiscal 1972 provided $90 million in school library resources, textbooks and other materials; title II of the Higher Education Act, which last year provided $15.75 million for college library resources, training and research, and three titles of the Library Services and Construction Act which together last year allocated nearly $60 million to public library services and construction, interlibrary cooperation—a total 1-year reduction in major Federal library grants from more than $165 million to zero.

In view of these drastic proposed reductions, the American Library Association, even while marking the observance of National Library Week, has planned a program with the theme of "Dimming the Lights on the Public's Right To Know." Later this spring, on a date and at a time to be announced, lights will be symbolically dimmed in the Nation's libraries to signify the cutbacks in services and even the library closings that will result if these drastic cutbacks are allowed to take effect.

Mr. President, what is needed now is not pious rhetoric about the importance of our libraries while decimating their support, but a concerted effort, with Federal support for State and local activities designed to further their development and improve their services. To that end, on last January 26, I introduced Senate Joint Resolution 40, authorizing and requesting the President to call a White House Conference on Library and Information Services in our bicentennial year, 1976. I plan to hold hearings on that resolution early in May.

The President's budget aside, in closing I congratulate the librarians of our Nation on the fine work they are doing and can assure them of a firm body of support here in Washington—support which will seek to see that funds are available.

VISIT TO THE CAPITOL BY JAPANESE GOVERNORS AND VICE GOVERNORS

Mr. HANSEN. Mr. President, it is my privilege, and a great honor, to announce that we have present as our guests today in the Capitol a distinguished delegation of Governors and Vice Governors from five Prefectures of Japan. They are with us in connection with an exchange visit with American Governors and to attend the 12th annual meeting of the Japan-United States Governors Conference which will be held in South Carolina tomorrow.

This is the sixth visit of Japanese Governors to our country that has been developed under the cultural exchange program of the Department of State, which has done much to improve people to people understanding. It has been done in cooperation with the National Governors' Conference and the Council of State Governments, of which I am an alumnus.

Our honored guests and their Prefectures are: Gov. Morie Kimura of Fukushima, leader of the delegation; Gov. Mansanori Kaneko, of Kagawa; Gov. Taketo Tomono, of Chiba; Vice Gov. Yoshio Ogiyama, of Tochigi; Vice Gov. Kumashi Kakehashi of Nagasaki.

When I was Governor of Wyoming and a member of the executive committee of the National Governors' Conference in 1965 I had the honor of being a guest of the Japanese Government on a visit to Japan. My visit to Japan was one of the great experiences of my life and I am sure that this thought will be echoed by Senator HAROLD HUGHES who was Governor of Iowa when he made the trip to Japan, and Senator BELLMON, then Governor of Oklahoma, who accompanied me.

There are other Senators and other guests who as Governors also participated in these valuable trips which have been arranged and sponsored by the Educational and Cultural Affairs Office of our State Department. We commend the State Department for this splendid achievement in furthering international cooperation between our two nations.

During this year's visit by the Japanese Governors to the United States, our esteemed friends were received by Gov. John Burns of Hawaii. After visiting historic places, the Dole Cannery, and attending a State reception by Governor Burns and a dinner hosted by the Counsel General of Japan they left for Idaho where they were received by Governor and Mrs. Andrus and entertained at a State dinner.

Their next stop was to be Iowa, the home State of Senator HAROLD HUGHES, former Governor. Unfortunately because of a spring snowstorm the Governors were unable to land in Des Moines. Instead they stopped over in Denver where they saw the beautiful front range of the Rockies and visited the tourist attractions of Denver.

The next State in the Governors cross-country tour was Wisconsin, the home State of former Gov. Gaylord Nelson, now U.S. Senator, and Representative and former Gov. Vernon Thompson.

In Wisconsin they were guests at a dinner given by the Wisconsin Manufacturers' Association. The next day they were honored at a joint session of the legislature at which Governor Lucey and former Gov. Warren Knowles spoke.

Following a reception for State legislators in the Governor's conference room they toured the U.S. Forest Products Lab and the Mayer Packing Co. After a breakfast sponsored by the Kikkomon Co., and a visit to the university, the Governors left for Washington.

Last night they were honored at a reception at the Japanese Embassy and today after a meeting at the State Department they met with President Nixon at the White House. After lunch and their visit here they will meet with Secretary Richardson at the Pentagon.

Tomorrow, Gov. John West of South Carolina and a number of southeastern Governors and businessmen will meet with the Japanese Governors in Charleston to discuss the development of trade between United States and Japan. The Governors' Conference will be under the sponsorship of the Governors' Task Force on Economic Growth, Gen. William C. Westmoreland, chairman. It will also be sponsored by the National Governors' Conference and the Council of State Governments and the Japanese Embassy. Secretary of Commerce Frederick Dent and Ambassador Ushiba of Japan will speak. Business sessions of the Japanese-American Governors' Conference which will be held in Charleston will conclude the South Carolina meeting. Both Senator THURMOND and Senator HOLLINGS have visited Japan.

On Monday and Tuesday, they will visit the Virgin Islands as the guests of Gov. Melvin Evans and his cabinet. At the conclusion of the Virgin Islands meeting they will visit Puerto Rico briefly and then return to Japan.

I join my colleagues in welcoming the Governors to the Capitol of the United States. We are pleased and honored to have them here.

JOINT ECONOMIC COMMITTEE STAFF STUDY OF ADMINISTRATION BUDGET CUTS

Mr. HUMPHREY. Mr. President, as chairman of the Consumer Economics Subcommittee of the Joint Economic Committee, I have released today a detailed analysis by the staff of the Joint Economic Committee. It shows that the administration shares as much or more blame as the Congress for fiscal 1973 spending, contrary to the administration's attempt to label Congress as the big spender.

Moreover, it documents the fact that the Nixon administration's spending reform policies are a combination of deception and incompetence, and that it has misrepresented savings being achieved by the budget cuts.

I have also released for the first time the Office of Management and Budget's so-called justifications for the 108 budget cuts that represent the administration's spending reform package. This document was furnished to the committee by OMB Director Roy Ash at the request of Senator PROXMIRE and myself, for detailed justifications of the President's budget cuts.

The President has said spending is his No. 1 goal, but an examination of the budget details shows there is insufficient substance to support the rhetoric.

While the administration claims to have made the most exhaustive evaluation of the Federal programs ever undertaken—there are, in fact, no meaningful program evaluations to support the budget cuts made by the President.

The material sent to the Joint Economic Committee to justify the President's budget cuts consists of undocumented assertions, descriptions of programs, inconsistencies, errors of logic and fact, and a great deal of extraneous material.

We are told that medicaid adult dental care should be terminated because "lack of dental care is seldom life-threatening and is less critical for adults."

The open space land program is indicted because "benefits accrue primarily to residents served by the parks."

The regional mental health centers are phased out because they don't serve the poor, we are told, when in fact 64 percent of those served had annual incomes below $5,000.

In not one single case does it appear the administration has competently evaluated the program it proposes to cut. Nor has it evaluated the impact of the particular cuts on the economy.

We are witnessing the crudest meat ax approach to Government policy in my memory.

In addition, the administration has misrepresented the real savings that will be achieved by the budget cuts. In many cases the so-called savings are bookkeeping manipulations more than they are real savings to the taxpayer.

In fiscal 1974, for example, the JEC staff study estimates that approximately $8 billion of the administration's declared savings of $17 billion are, in fact, political cosmetics.

Finally, the JEC staff study sets the record straight on the administration's charge that Congress is responsible for spending increases.

The President alleges that in fiscal 1973, for example, he was forced to achieve "savings" because of spending increases by Congress over and above his original budget.

But the facts are that this $15 billion in spending increases consists of roughly $6½ billion in Presidential spending initiatives, $1½ billion in uncontrollable fixed spending increases, and $5 billion in congressional spending initiatives.

The other $2 billion of this amount consists of imaginary cost increases for the social services grant program; that is, money never spent because the Congress established a ceiling for this program about $2 billion below the budget projections.

My criticism of the particulars of the administration's spending reform proposals does not decrease the need for spending reform, and for Congress to take the leadership for such reform.

But the information provided to the Joint Economic Committee is of such low quality that Congress cannot rely on it in formulating spending reform and setting national priorities. This puts a new urgency to the need for Congress to improve its budget review and analysis capabilities.

Congress must create an Office of Budget Analysis and Program Evaluations, such as I have advocated in the Fiscal and Budgetary Reform Act of 1973, to constantly monitor the programs it authorizes, and to perform the necessary analysis of the executive budget.

In conclusion, I want to announce that the OMB Director, Mr. Roy Ash, will testify on the administration's budget cuts, particularly as they affect consumers, before the Consumer Economics Subcommittee—which I chair—on April 17 at 10 a.m.

Mr. Ash has written me that he would prefer only to deal with the "overall fiscal outlook," and to avoid questions concerning the rationale and impact of specific program reductions and terminations.

I have replied to Mr. Ash that this is an unacceptable attempt to avoid an examination of what real evidence there is to support the President's budget cuts.

Either the administration stands behind its budget cuts or it does not. I expect Mr. Ash to testify on these matters on April 17.

Mr. President, the study I have released was prepared by the Joint Economic Committee staff in consultation with the Library of Congress. Copies of the JEC study and the Office of Management and Budget's justifications for the 108 budget cuts are available from the Joint Economic Committee.

Mr. President, I ask unanimous consent to have the analysis printed at this point in the RECORD.

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

AN ANALYSIS OF THE ADMINISTRATION'S SPENDING REFORM PROPOSALS*

Although a great deal has been said and written about the fiscal 1974 "battle of the budget," and the spending reform issue, the debate has been characterized by a high degree of assertions and rhetoric. The Administration asserts that the Congress is irresponsible in its management of tax money, and Congress asserts that the Administration is dismantling 30 years of social programs. In addition, the debate on impoundment has tended to focus on the general question of which branch has what constitutional powers and not on the true merits of the particular programs for which funds have been restricted.

The Administration's spending reform proposals merit more searching examination because, with general agreement that the Federal budget level should be held to $268 billion, the central budget issue is one of priorities—what activities should be cut and what activities should be increased. An understanding of why certain programs were cut, in the sense of how they were deficient, is also a necessary step to formulating alternative techniques for those areas where social problems remain.

The President himself has characterized the budget as dramatic because it fulfills his "pledge to hold down Federal spending." In particular, the Administration *claims* its spending proposals are important because they:

hold down excessive Congressional spending;

are responsible for substantial budget savings;

represent a comprehensive evaluation of all government programs and a determination of which ones are most ineffective.

The purpose of this analysis is to examine these assertions about spending reform

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* A joint Economic Committee staff study prepared with the assistance of the Library of Congress.

in the light of the best available evidence. The necessary information is not available in the budget. The analysis is therefore based in large measure on information obtained from Mr. Roy Ash, Director of the Office of Management and Budget, at the request of both Senator Hubert H. Humphrey and Senator William Proxmire. Our evaluation of that information should be regarded as preliminary work to be further refined by General Accounting Office studies and public hearings.

Based on the discussion that follows, our preliminary findings on the Administration's spending reform proposals are:

that recent increases in government spending are the joint result of Executive and Congressional actions;

that the real savings obtained from Administration budget actions are substantially less than the savings claimed. For fiscal 1973, approximately $8 billion of the estimated $11.0 billion in savings is questionable as real budget savings. For fiscal 1974, approximately $8 billion of the estimated $17.0 billion in savings is also questionable as real budget savings;

that the Administration has made no analytical evaluations to support the real budget cuts that were made. Moreover, the information provided to the Committee as formal justification for the budget cuts is of such low quality that Congress cannot rely upon it in formulating spending reform and setting national priorities.

WHO SPENT THE MONEY?

Several Administration spokesmen have argued that unconstrained Congressional spending would have driven fiscal 1973 spending $11 billion over a spending ceiling of $250 billion, were it not for the President's intervention to control that spending. In a March 27, 1973 New York Times article entitled "Congress As The Crisis," Mr. Caspar Weinberger described Congress as on a spending binge, and:

"Only Presidential intervention prevented an additional $11 billion increase in this fiscal year's budget. Left to its own devices, Congress had created a spending momentum that would have pushed the budget $19 billion above President Nixon's 1974 request, and $24 billion above the President's proposals for 1975."

An examination of the facts about who initiated additional spending beyond the President's original fiscal 1973 budget requests reveals a different picture, however. In the first place, the President originally proposed $246 billion for the fiscal 1973 budget. That was increased to $250 billion by the Administration itself, which apparently felt that additional outlays of $1.2 billion for Vietnam, $1.5 billion for hurricane Agnes, and certain other supplementals were necessary; an additional $2.6 billion was due to an Administration request to shift fiscal 1972 revenue sharing into fiscal 1973. Still another $1.6 billion was due to an uncontrollable increase in interest payments on the public debt. Congress launched spending initiatives to increase social security benefits by $2.8 billion (partially offset by increased social security taxes), establish black lung benefits of about $1 billion, and increase revenue sharing payments by $1 billion. Most of the remaining "unconstrained" spending growth is a projection of what the social services grant program would have cost if Congress had not put a $2.5 billion ceiling on it during the last session.

Thus, the potential $15 billion increase in fiscal 1973 spending over the President's *original* budget proposals consisted of roughly $6½ billion in presidential spending initiatives, $1½ billion in uncontrollable spending increases, $5 billion in Congressional spending initiatives, and $2 billion in imaginary cost increases for the social service grant program.

Even these distinctions oversimplify the issues, however, because virtually all the spending initiatives were eventually supported by both Congress and the President. The President in fact emphasized his support of certain Congressional spending initiatives, such as social security increases, by publicly taking credit for them.

Moreover, these distinctions oversimplify the process by which government spending decisions are executed. The spending reform and budget ceiling proposed by the President are in terms of *outlays*. Congress, through its authorization and appropriation process, enacts *obligational authority*, it does not enact outlays. Obligational authority is not necessarily spent during the year in which it is made available and, of course, much spending authority is "open-ended." Since it is the Executive which actually makes outlays, Congress and the Executive must cooperate in order to enact spending authority which is consistent with the desired outlay ceiling.

These remarks should not be construed to mean that Congress does not have serious deficiencies with respect to evaluating and managing the budget. The Congress does not have an adequate mechanism to review the overall impact of the budget on the economy, to establish and monitor a spending ceiling, and to allocate the funds within that ceiling to priority areas. The Congress also lacks an adequate budget staff to perform these actions as well as evaluating the budget submitted by the President. But Congress is seriously at work on these problems, and Administration portrayals of Congress as a drunken sailor on a spending binge is inaccurate and counterproductive in an area where both branches are responsible for recent spending increases, and where improved spending control requires Executive and Congressional cooperation.

WHAT ARE REAL BUDGET SAVINGS?

The Administration claims that it has taken or proposed actions that will lead to budgetary savings of $11 billion in FY 1973, $17 billion in FY 1974, and $22 billion in 1975. As evidence, the fiscal 1974 Budget contains an eight page list of actions labeled "Outlay Savings From Program Reductions and Terminations, 1973–75" (pp 39–57). Unfortunately, the budget does not contain any explanation of what constitutes a genuine or *real budget saving*.

We have emphasized the term *real budget saving* because it has no general accepted definition and yet the term must be defined if any sense is to be made from the Administration's alleged savings. As with most questions of definition, there is room for disagreement and we would not insist that there is only one way to define real budget savings. In one sense, a real budget saving could be defined as an action that leads to a reduction in the level of prgram outlays from one year to the next—e.g., fiscal 1973 manpower outlays of $500 million are reduced to $400 million in fiscal 1974. In another sense, a real budget saving could be defined as an action that leads to a reduction in the rate of increase in program outlays, as mandated or committed by existing law, from one year to the next—e.g., fiscal 1973 medicaid outlays of $500 million, which would have automatically grown to $600 million in fiscal 1974, are reduced to $550 million through some action; the rate of increase is reduced from 20 percent to 10 percent. Both of these seem reasonable interpretations of genuine budget savings and together they constitute what is regarded as a real budget saving to taxpayers for the purpose of this analysis. To the extent that the Administration has taken actions that achieve such ends they can correctly claim real budget savings.

Other manipulations or windfalls in budget and receipt totals however, are highly questionable as real budget savings resulting from Government action. Such bookkeeping arrangements as asset sales, the deferral of reprograming of payments, a reduction in outlays based on a previous year action, and windfall receipts or outlaw decreases are examples, although the issues are in some cases complex. The deferral of spending may be for one day or several years and, if of a long enough duration, a deferral may become a termination or permanent reduction and therefore a real budget saving as defined in this study. Asset sales, which may be desirable for several reasons, represent an increase in government receipts in a government asset and do not usually change the net worth of the Government and achieve real budget savings. Adequately accounting for such items on the budget books, and the desirability of taking such actions for fiscal policy and other reasons, should not be confused with real budget savings and spending reform. It is inaccurate to say such items represent real savings to the taxpayer in the same sense as a reduction in the level or rate of growth of program outlays.

With these standards in mind, a substantial part of the Administration's claimed savings for fiscal year 1973 are not real budget savings. It is not a real saving to shift $1.5 billion of general revenue sharing payments a few days so that it is accounted for in fiscal 1974 rather than fiscal 1973; it is not a real saving to sell off $1.5 billion in Federal credit and stockpile assets; it is not a real saving of $242 million to have a windfall increase in receipts from the terminated European Fund: it is not a real saving of $17 million to have maritime subsidy payments "automatically" reduced because there are not enough ships to subsidize. The list goes on and in total about $8 billion of the $11 billion the Administration claims to have saved in fiscal 1973 are in fact not real budget savings as much as they are budget cosmetics.

Much the same situation is revealed where the budget savings for fiscal 1974 are examined in detail. This is not possible from the budget documents themselves—a point worth noting—but can be done to a great extent from the information provided to the Joint Economic Committee by the Office of Management and Budget. Some of the fiscal 1974 cosmetic budget cuts are already well known, such as the $2.7 billion social services grant "savings", but the full extent of such cosmetic budget cuts in fiscal 1974 is not well known. Table 1 represents a preliminary effort to identify the fiscal 1974 cosmetic budget cuts. As one can see, about $8 billion of the $17 billion claimed savings are not real budget savings at all. (See page 9.)

It should be noted that a significant portion of the remaining $8.5 billion in real budget savings which we have not been able to identify because of a lack of data, will not be saved because new expenditures are substituted for those that are reduced or because proposed reductions will be withdrawn by the Administration. The substitution of an alternative means for meeting a public objective should not on its face be criticized because such shifts are the essence of adapting techniques to achieve priorities. The issue simply shifts from budget savings to the relative merits of the two alternatives, which in turn should be based on careful analysis of the programs and their alternatives. Budgetary savings are of course desirable only if they eliminate ineffective programs.

WHERE ARE THE ADMINISTRATION'S EVALUATIONS?

Determining which programs are to be cut to achieve spending reform is a complicated business because there are several criteria by which to judge the effectiveness of a program. In particular, program evaluation should consider:

(1) Whether the original goals of the program are still appropriate and, if not, how the program could be terminated without unduly disrupting the industry or groups affected.

(2) Whether the program does in fact achieve the goals laid down in the original legislation.

(3) Whether the total cost of the program is commensurate with the total benefits; more specifically, how many dollars of costs are necessary to obtain $1 of net benefit.

TABLE I.—*Cosmetic budget cuts, fiscal 1974*
[In millions] *

	Amount
Farm Price Supports (10) [1]	$600
Agriculture Extension Programs (17)	34
Reduce Military Personnel and Operations Costs (24)	1,200
Reduce Defense Procurement Costs (25)	650
Limit Defense Research & Development (26)	200
Reduce Military Construction (27)	50
Slow Corps of Engineers Construction (30) [2]	351
Strengthen Medicaid Management (32)	175
Limit Social Service Grants (45)	2,700
Adjust Vocational Rehabilitation (46)	21
Reduce Department of Interior Construction (54)	10
Reschedule Bureau of Reclamation Projects (55) [3]	70
Constrain Federal Land Purchases (57)	61
Increase Oil Lease Sales (58)	1,010
Review Prison Construction (60)	28
Reorient Community Relations Service (61)	4
Employment & Unemployment Insurance Services (64)	35
Postal Service Unemployment Benefit Costs (66)	26
Deferring Highway Projects (67)	83
Defer Coast Guard Construction (68)	14
Reschedule FAA Purchases (69)	35
Reorder High Speed Research & Development (71)	41
Refocus UMTA Research & Development (73)	26
Rephase Intermodal Transport Research & Development (74)	7
Delay Construction of Federal Law Center (78)	12
Reduce Plowshare Program (80)	3
Delay Space Shuttle (88)	45
Reduce Manned Space Flight (89)	47
Reduce NASA General Expenses (95)	24
Reform Veterans Benefits (96)	160
Reschedule Veterans Construction	55
Postal Service Retirement Costs (100)	285
TVA Construction Activity (106)	30
Water Pollution Control Act Amendments of 1972 (84) [4]	300
	8,392

*The numbers in parentheses match OMB's numerical coding on pages 49–57 of the Budget and in the material sent the Joint Economic Committee.

[1] A substantial part of the farm price support savings reflect unrealistic projections of the costs of these programs in view of the world grain shortage, the effect of that shortage on farm prices and income, and therefore the level of payments necessary to stabilize the farm sector. Although it is not possible to determine the exact amount of overestimation from the available data, we estimate that it is $600 million.

[2] A substantial part of the Corps of Engineers saving reflects deferrals but some real reduction appears to be taking place. Our estimate of $351 million represents the difference between the savings claimed by the Administration and the actual outlay reductions for the Corps of Engineers between fiscal 1973 and 1974.

[3] The estimate for the Bureau of Reclamation is arrived at in the same manner as the Corps of Engineers estimate.

[4] A substantial part of the wastewater treatment facilities savings reflect unrealistic projections of the spending mandated by Congressional authorizations under the Water Pollution Control Act amendments of 1972. Although it is not possible to determine the exact amount of overestimation from the available data, we estimate that it is $300 million.

Source: The Joint Economic Committee staff based on information obtained from the Office of Management & Budget and the Budget of the United States—Fiscal 1974.

(4) Whether there are better ways of achieving the original goals of the programs or of providing the same net benefits at lower costs.

(5) The distribution of income occasioned by the program by income class and how this relates to program objectives and social welfare.

(6) Whether a particular program is consistent with other programs and, if not, how better consistency can be obtained.

It should be emphasized that the reduction of inflation is not a valid economic criteria for eliminating an *individual* government program. The effect of government spending on inflation depends primarily upon the total level of such spending, the level of taxes, monetary policy, how these relate to the capacity of the economy, and the effectiveness of a price-wage control system. Once it is decided that the level of existing or projected government spending is too high, relative to these other factors, the necessary reduction in government spending should consist of the set of government programs that are lowest priority and most ineffective. Which particular programs should be included in that set should be determined by reference to the above criteria.

As one can see, there is a complicated array of standards by which a program's effectiveness can be judged. It should also be obvious that testing a program against a standard requires analytical and quantitative evidence. In other words, the charge that the Hill-Burton program is outmoded should be supported by data on the supply and distribution of hospital beds; the charge that housing programs do not benefit the poor should be supported with beneficiary data by income class; the charge that certain manpower programs are inefficient should be supported with cost-benefit comparisons. Although there are measurement problems, these can be substantially overcome through careful analysis.

The Administration would have Congress and the public believe they have done this kind of careful analysis. In a March 27, 1973 New York Times Article entitled "Congress As The Crisis" Mr. Caspar Weinberger said:

"President Nixon's second step was to order the most exhaustive evaluation of Federal programs ever undertaken. Those in the Office of Management and Budget who conducted the evaluation used only one criterion: Does the program work?

"Of the more than 1,000 Federal grants programs reviewed, 115 were found to be riddled with waste and inefficiency. There is no money for such programs in President Nixon's 1974 Budget."

In an effort to determine whether the Administration had thoroughly evaluated the programs it cut, several members of the Joint Economic Committee asked the Office of Management and Budget for the analytical evaluations during the Committee's annual hearings on the budget. In the Joint Economic Committee hearing of February 8, 1973, Senator Humphrey, addressing Mr. Roy Ash, stated: "I am hereby asking for the Joint Economic Committee that you provide for this Committee a full detailed explanation, justification of cost-benefit impact, cost-benefit relationship of every single cut that you made in every program in the 1973 fiscal operation and projected 1974." In the same hearing, Senator Proxmire made a similar request for the analytical rationale behind the cuts the Administration made or proposed. (See Appendix A). In response to these requests, on March 19, 1973 the Office of Management and Budget sent the Committee a 179 page loose leaf binder of their formal justifications for cutting 108 programs labeled as "riddled with waste and inefficiency."

It is difficult to describe the material Mr. Ash has sent the Committee to support the President's budget cuts. They are not studies or evaluations of programs at all. They are primarily undocumented assertions, descriptions of programs, explanations of actions taken, and a great deal of extraneous material. The material does not indicate the President and his advisors have carefully studied these matters. The material gives Congress no reason to have confidence in the President's reform proposals and budget priority decisions.

Seventy-four percent of these "detailed analyses are less than one page long. The explanation of the inventory and working capital reduction in the Atomic Energy Commission is less than four typed lines; several of the explanations are less than 10 typed lines. Ninety-eight of these analyses are less than two pages long. In this entire 179 page document, only two programs had an analysis which exceeded two pages.

Most of these explanations are divided into two parts: "background" and "action," and there is no section devoted to the reason or basis for the cut—the information which was requested. Much of the information provided is slightly interesting but totally extraneous. For example, changing Medicare cost controls are rationalized as follows: "During Phase II, the inflation of medical care prices was reduced to about half the rate of increase before the Economic Stabilization Program. Nevertheless, strong inflationary pressures continue to exist in the health sector, particularly in hospital costs." These are not sentences lifted out of context; they are the *complete* explanation. In another place we are told that the Department of Justice Community Relations Service will save $4 million in fiscal 1974 while it intends to spend $2.4 million reducing racial tension and to expand crisis resolution and State liaison activities by 41 percent. One wonder whether Justice intends to find 41 percent more new crises to resolve, or just to resolve the old crises 41 percent better. When one finds a clearly stated reason for cutting a program they often read like this "indictment" of the Open Space Land Program: "Benefits accrue primarily to residents served by the parks."

When reasons for the cuts are given, they do not represent any clearly stated and applied criteria for judging a program's effectiveness. In the case of the Economic Development Program in the Commerce Department, for example, the program is cut because the funds are so widely dispersed that, "while they may have been helpful in individual cases, they have done little to overcome the problems of any community." In the case of Community Mental Health Centers, on the other hand, we are told the program is cut because funds are too highly concentrated and therefore "inequitable to the Nation as a whole because relatively few communities receive Federal funds." The most common criteria by far, however, take the form of Administration assertions. We are told that the Administration opposes certain education programs because they are "inconsistent with Administration policy." In other cases it is simply asserted that the program is bad or that it "is not an appropriate Federal role."

Having made some general observations about the Administration's budget cut justifications, let us now turn to what they look like in some particular program areas for fiscal 1974.

DEFENSE

The most incredible case of cosmetic budget cuts is national defense, which in

fact increases by $4.7 billion. The Administration's claim that there are budget savings of $2.7 billion is to a considerable extent fabricated. This can be seen from the 7 pages of "justification" OMB provided to the Committee.

A personnel and operations saving of $1.2 billion is claimed, for example, with two sentences: "Reduced proposed activity rates for real property maintenance, material depot maintenance, operating force support and supply operations . . . Reducing military and civilian end strengths 106,000 from proposed levels for 1974." The key word here is *proposed* as it means a budget saving is claimed because the Secretary of Defense cut the in-house wish list for the military departments. Elsewhere in the budget it is revealed that fiscal 1974 personnel and operations costs rise approximately $122 million.

Procurement, research and development savings of $850 million are claimed with the justification: "These reductions have the effect, in some cases, of slowing down the pace of development and, in other cases, of deferring program initiation." Actually, procurement, research and development increase by approximately $1.4 billion.

HEALTH

Although the Administration may have proposed some necessary spending reforms in the health area, there is no way that this can be determined from the information provided by OMB. We are told, for example, that $75 million can be saved by terminating Medicaid adult dental care because: "Lack of dental care is seldom life-threatening and is less critical for adults." No evidence is provided to support a contention that seems highly questionable when applied to adults with the social, economic, and dental histories of Medicaid recipients. In addition, in the face of the 17,000 deaths each year as a result of oral cancer, is it accurate to state that lack of dental care is seldom life-threatening?

Among the assertions given for the phase-out of the Community Mental Health Centers is that: "Less than 25 percent of the population are in catchment areas served by these centers which place little emphasis on the medically disadvantaged." Statistics from the Department of Health, Education and Welfare, however, show that in 1970, 42 percent of the persons admitted to these centers had family incomes below $3,000 and 64 percent had family incomes below $5,000. How poor do people have to be to be classified as disadvantaged?

TRANSPORTATION

Transportation is the best example of an area where claims for budget savings are cosmetic shifts in the timing of Federal payments. In the case of the highway program, for example, the Administration claims budget savings of $83 million as Federal payout requirements are reduced because the "Highway Act of 1972 was not enacted by the Congress." In another case, the FAA is said to save $35 million because "unanticipated program delays have resulted in some slippage in the FAA accelerated commissioning program." In all, only $37 of the $263 million in savings claimed in the transportation area can be considered real budget savings.

MANPOWER

The savings in the manpower area are for the most part real—program outlays for public employment and training decline by about $1 billion. There is no analysis or evidence provided by OMB to support these cuts, however.

The reason given for a reduction in manpower training programs is that: "The many evaluations of manpower projects and programs have not demonstrated that they have been effective as presently operated." While that is true for some manpower training programs, it is not so for all and the composition of the cuts made by the Administration does not stand up to hard scrutiny. Those programs which had the highest benefit-cost ratios are being cut back most sharply. The Subcommittee on Fiscal Policy of the Joint Economic Committee recently examined the five largest training programs. The staff study concluded that MDTA on-the-job training and institutional training have very high social rates of return. This is especially true of on-the-job training.

The other program which has demonstrated relatively high benefits in relation to cost is the Neighborhood Youth Corps out-of-school program. Studies have shown that this program had positive rates of return, especially for high school dropouts. The cuts in the most effective programs for training are in contrast to the sharp expansion of the Work Incentive Program (WIN) by 37 percent. Studies of WIN have shown that the placement rates of those completing the program are only 20–30 percent, compared with 70–80 percent for MDTA training.

In a similar fashion, the public employment program is terminated with the unsupported statement that: "The remaining unemployed are in need of assistance that this program cannot provide." Although we don't know what is meant by the statement that this program cannot aid the remaining unemployed, we do know that 27 percent of the beneficiaries are veterans, that 38 percent are disadvantaged, that 36 percent are from minorities, and that 56 percent of the beneficiaries had been unemployed 15 weeks or more before entering the program. In addition, some portion of the public employment program savings appears to be cosmetic because it takes credit for reductions that would have occurred automatically as unemployment approached the 4.5 percent cutoff associated with this program.

CRIME AND LAW ENFORCEMENT

Savings in the crime and law enforcement area again provide an example of timing shifts in Federal expenditures because of unavoidable delays or intentional deferrals. A saving of $12 million is claimed by the Treasury Department, for example, because further construction of the Federal Law Enforcement Training Center is "being delayed pending final resolution of sewage treatment problems." The Bureau of Prisons claims savings of $28 million because "construction of two Metropolitan Correctional Centers is being deferred, and an arrangement is being sought with the State of California in place of constructing a Youth Facility in Ventura Country."

HOUSING AND URBAN DEVELOPMENT

Real savings of $305 million are achieved by suspending housing subsidy programs but there is no analysis of why the programs were cut and what impact this action will have on housing supply. It is asserted that the housing subsidy programs have provided inordinate financial gains for intermediaries, placed some families in houses they could not maintain and inflated the cost of housing. This is true and the reasons for it, according to recent General Accounting Office studies, is that the Department of Housing and Urban Development (1) did not properly inspect homes, (2) did not provide adequate counselling to low-income homebuyers, and other aspects of program mismanagement.

We even have an assertion based on assertion. The Urban Renewal program is condemned with quotes from an old speech by the former HUD Secretary, George Romney. According to Romney, the program is ineffective because: "These categorical programs are no longer adequately responsive to the crisis of our central cities. We have poured billions into these programs with little result. To continue would mean throwing more billions of the taxpayers money away. Larger infusions of money have not served to solve the problems. Something else is needed." Maybe something else is needed, but let's base the decisions on some careful studies and not old speeches.

POVERTY AND WELFARE

The Administration projections of saving $592 million through administrative reforms of the welfare system is an example of real savings so naively conceived they may never come to pass. The projected savings would be the result of a proposed Federal regulation which has not yet been adopted and whose legality is questionable. The proposed regulation would eliminate all Federal financial participation for *all payments* to ineligible cases and all overpayments under the Federally-assisted public assistance program. The application of a *zero tolerance level* to public assistance programs is itself a questionable concept, and thirty-four states have threatened a legal suit contesting the proposed measure.

The budget savings claimed from terminating the Community Action Programs are real but the reasons given by OMB are, alternatively, too much success and too much failure. Since the Community Action program has "demonstrated the value of participation in service development programs by the people being served, . . . The continued existence of this program as a direct Federal responsibility is no longer necessary. On the other hand, the program should be terminated because: "There is no conclusive evidence that the Community Action program has moved significant numbers of people out of poverty on a self-sustaining basis."

As indicated earlier, this analysis is meant to be a preliminary to a more detailed review by the General Accounting Office and public hearings. Still, this preliminary analysis would seem to indicate that the information provided to the Committee as formal justification for the budget cuts is of such low quality that Congress cannot rely upon it in formulating spending reform and setting national priorities. Moreover, the quality of the Administration's back-up support for its spending reform proposals is so weak that it may be that spending reform is not being advanced as a serious economic policy.

In conclusion it should be emphasized that criticism of the Administration's inept formulation of a spending reform package does not diminish the need for the elimination and restructuring of ineffective government spending programs. In fact, several of the programs the Administration has on its reform list merit careful review. It is now time for the Congress to take the leadership for spending reform.

APPENDIX A

The following statements are the specific requests made by Senators Humphrey and Proxmire during the testimony of Mr. Roy Ash before the Joint Economic Committee on February 8, 1973.

Senator HUMPHREY. I happen to believe that you have not provided the information and I am hereby asking for the Joint Economic Committee that you provide for this Committee a full detailed explanation, justification of cost-benefit impact, cost-benefit relationship of every single cut that you have made in every program in the 1973 fiscal operation and projected 1974. That is an official request from a member of this Committee and the law requires that you fulfill.

Mr. ASH. As the law requires we now receive that request and will respond to it.

Senator HUMPHREY. As promptly as possible?

Mr. ASH. We certainly will.

Senator PROXMIRE. Senator Humphrey asked for something I was going to ask for, specific cost-benefit studies which are required by law. I am asking for the details, not just the numbers—the details.

ARTS AND CRAFTS FESTIVAL AT HISTORIC HARPERS FERRY

Mr. ROBERT C. BYRD. Mr. President, the second annual Mountain Heritage Arts and Crafts Festival will be held at historic Harpers Ferry, W. Va., on June 8, 9, and 10. I believe that this year this event will surpass the outstanding success of last year's festival, and that it will draw throngs of visitors from a wide area, including the metropolitan area of the Nation's Capital.

Harpers Ferry is only about an hour's drive from Washington, D.C., and I hope that many officials and employees of the Federal Government will wish to take advantage of the opportunity to visit what, in my judgment, will be a very rewarding exhibition of handicrafted articles, together with demonstrations of how they are produced by the skilled craftsmen who offer them to the public. There will be, in addition, folk music, dancing, and other entertainment.

In this day of assembly lines and factory-produced goods, it is reassuring to know that the old skills of our forebears have not disappeared, but that, on the contrary, they have been given now life and vigor by dedicated craftsmen such as one finds in West Virginia and many other States. Weaving and spinning, pottery making, quilting, glass blowing, blacksmithing, candle dipping, corn meal grinding, soap making, and fancy woodworking may be thought of as relicts of the past. But in festivals such as that to be held at Harpers Ferry, the visitor may watch as deft artisans in these and other skills create handmade articles of beauty and usefulness. The pride which these mountain artisans take in their work is obvious and inspiring.

Harpers Ferry and the eastern panhandle of West Virginia would be worth a visit even if there were no festival. It is beautiful country, and it is historyland as well. The Harpers Ferry National Historical Park is there, and such names as George Washington, Thomas Jefferson, John Brown, and Robert E. Lee loom large in the area's fascinating past.

The Jefferson County Chamber of Commerce, the headquarters of which is located in Charles Town, W. Va., sponsors the Mountain Heritage Arts and Crafts Festival, and the chamber is highly to be commended for its efforts in putting on an affair of this caliber. Those in charge of the undertaking, and West Virginians in general, will welcome all who attend.

A general revival of oldtime arts and crafts is taking place in wide areas of our country, and I am happy to say that West Virginia has been in the vanguard of that development. The Harpers Ferry Festival, one of many to be held in my State this year, will provide a fine showcase for the skills and products that are so much a part of our national heritage. You all come.

POISONING AND PREDATOR CONTROL

Mr. BAYH. Mr. President, I believe that by now it is clear that this country's past practice of using extremely toxic poisons for predator control on public lands is objectionable to taxpayers, the environmentalists, the Department of Interior, and to countless citizens. While most agree that some form of predator control is desirable, the use of massive amounts of indiscriminate poisons—which often kill nontargeted animals, and can eventually contaminate our water supply—has deleterious side effects which are simply too risky.

My bill—the Antipoisoning Act of 1973—is designed to permanently end the use of poisons on public lands except in extraordinary situations, and to assist States find an alternative to poisoning for predator control. Hearings were held on my bill, S. 819, on March 27 before the Subcommittee on the Environment of the Senate Commerce Committee. During the hearings, chaired by Mr. STEVENSON, of Illinois, who is a cosponsor of S. 819 bill, both S. 819 and the bill introduced by the administration were examined carefully; hopefully, the Senate can join the House during this Congress in passing a bill to reorient our attitudes and techniques in predator control.

I ask unanimous consent that a copy of my prepared testimony—which outlines the main points of the bill in comparison to the administration and the House-passed bill of the last Congress—be printed in the RECORD along with a copy of the bill.

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

TESTIMONY OF SENATOR BAYH BEFORE THE SUBCOMMITTEE ON THE ENVIRONMENT OF THE SENATE COMMERCE COMMITTEE, MARCH 27, 1973

Mr. Chairman, the proposal to terminate poisoning programs on public lands has aroused highly emotional debate during the past few years, debate intensified by the absence of clear facts to lend a stabilizing effect. Unfortunately, there still are no detailed statistics on the extent of sheep losses due to predation, nor is there hard information on the effectiveness of various predator control techniques—including poisons—which have been used.

However, we do know from the Cain Report of 1972 that during the 20-year period of 1951–1970, at least $110 million in federal and contributed funds were spent on animal damage programs. Under these programs more than 1,000 tons of poisoned meat as well as huge amounts of compound 1080, strychnine tablets, and poisoned grain have been disbursed throughout our Western lands. We also know from the environmental impact statement submitted by the Department of Interior that here were a number of unintentional accidents to humans (19), dogs (87), horses (12) and other animals during the ten-year period of 1596–1969. Almost two-thirds of these accidents were caused by poison-disbursing agents. Finally we know that the use of indiscriminate poisons has led to the death of many nontargeted animals, and has disrupted the natural environmental balance and predation cycle more than is necessary. The fact that many of these poisons are not biodegradable is most disturbing as it raises the probability that large amounts of these poisons have been accumulating in our water supplies and could eventually affect humans. In short, it is clear that past programs are not satisfactory to the taxpayers, the environmenalists, the Department of Interior, and countless citizens.

I think we can agree that a clear consensus exists in favor of finding an alternative to poisoning. Last year, a bill to establish alternative methods of predator control passed the House. Two sets of hearings have been held on my bill, S. 2083, since its introduction in 1971; no action was taken on the bill but the Administration took the very important steps in 1972 of banning the use of poisons on public lands, and suspending the registration of particularly toxic poisons. Although I have commended these steps, I also believe that such crucial protections deserve the authority and permanence of law. Executive and agency orders are repealed too easily. Therefore, I hope Congress will act promptly on my bill and others to curtail the use of poisons which have adulterated our environment.

The Anti-Poisoning Act—S. 819—which I have introduced this year has three main purposes: (1) to outlaw the manufacture, sale or use of particularly toxic poisons; (2) to prohibit the routine use of poisoning on Federal lands; and (3) to encourage the development of alternative methods of predator control, as well as their utilization by individual states. Exceptions to the poisoning prohibition are possible, but any use of poison would require a detailed written justification by the Secretary of Agriculture or the Secretary of the Interior, following opportunity for public debate. The general purpose of the bill is similar to that of H.R. 38 and S. 887 which will be considered eventually by this Subcommittee. There are significant differences, however, which I wish to emphasize.

Most important, under Section 6 of my bill it is unlawful to sell, ship or use certain particularly toxic poisons for field use in predator control programs. Three of these poisons—sodium cyanide, strychnine, and sodium monofluoracetate—were ordered suspended and cancelled for use in predator control last spring by the Environmental Protection Agency. In the report ordering their suspension, EPA noted that the Cain report "points out the extreme toxicity of these compounds, their nonselectivity, and their potential impact on the environment which is 'increased by secondary hazard, accumulation in the animal, and combined characteristics of chemical stability and solubility in water'."

In the case of the fourth poison—Thallium Sulfate—the EPA order took a step which went beyond that proposed in my bill. The March 9, 1972 order suspended the registration and interstate commerce of thallium sulfate for all uses; although my bill limits its attention to field use in predator control, the EPA order affecting other uses would still be valid under the Federal Insecticide, Fungicide, and Rodenticide Act. (FIFRA)

Under Section 6 of my bill, there are two other subsections which are designed to augment existing authority under FIFRA. Under FIFRA, record-keeping is required of producers of the pesticides in question. Since the prohibition in my bill is also directed at the *use* of those pesticides, I have added provisions to require record keeping and licensing to record the possession and use of all compounds so banned. If control programs are to be turned over to the States, such record keeping is essential to efficient monitoring and enforcement.

Finally, the bill authorizes the Environmental Protection Agency to purchase from producers the compounds and chemicals banned under the bill. Under FIFRA, the Agency is required to pay indemnities to producers if a producer would suffer losses as a result of the cancellation of the registration. The parallel section in my bill is designed to serve as an indemnity payment mechanism at the same time that it removes excess stocks of the pesticides from the market. Since registration for these poisons has already been cancelled under FIFRA, indemnities have presumably been paid

where necessary; I would accept EPA's judgment as to whether this particular provision is superfluous.

As to the larger question of whether a statutory prohibition of the manufacture or use of these poisons for predator control is necessary, I believe that this provision of my bill will make Congressional intent clear to those who wish to use poisons on private lands, and to those who request special permission for a "limited emergency" poisoning program. A statutory ban will also encourage more research in alternative control techniques, since there would be no lingering hopes that the Environmental Protection Agency will repeal its order at some date in the future. Since it now seems highly unlikely that EPA will in fact rescind its Order, statutory enactment of Section 6 would simply remove speculation without binding the Environmental Protection Agency to a position which would be untenable at a later date.

Mr. Chairman, there are 4 additional points of difference between my bill and the other two bills, S. 887 and H.R. 38, to which I would like to draw the Committee's attention. First, under my proposal, a public hearing is required before the emergency use of poisons by either Federal or State authorities is permitted on public lands. Second, poisoning is not justified, even as a last resort, to prevent major damage to domestic livestock alone. Third, a total of $4 million rather than either $9.5 million or unspecified amounts of money is authorized for the first year of the program. Fourth, the Federal role in predator control programs or in funding thereof, shall be eliminated after three years of transitional assistance. I will deal with each of these issues separately and briefly.

A public hearing would be required by my proposal before emergency use of poisoning so as to dampen the proven enthusiasm of Federal and Local agents concerning the use of poisons. Although H.R. 38 and S. 887 require consultation with the heads of four Federal agencies and a written finding before emergency use of poisons may be authorized, such procedures do not ensure any depth of debate, or the involvement of knowledgeable and interested outside groups. The consultation mechanism could easily become routine due to other pressing crises in each agency; in that case, interest groups could only protest written findings after the fact, rather than participate in the gathering of relevant information.

Mr. Chairman, I do not believe that poisoning is justified, even as a last resort, to prevent major damage to domestic livestock. According to the testimony offered last week before the House by Nathaniel P. Reed, Assistant Secretary of the Department of Interior for Fish and Wildlife and Parks, the Bridger Project last summer proved that even in the most difficult terrain, alternative control methods can be as effective as poisoning has been in controlling depredations. The intensive lobbying effort this past winter to repeal Executive Order 11643 is clear indication that owners of livestock prefer to use poison. I am concerned that an emergency provision will be gradually widened until it is a gaping loophole. H.R. 38 allows the Secretary to approve a State program which uses chemical toxicants to prevent "major damage to domestic livestock in an area where he determines that other means of predator control will not prevent such major damage". S. 887 is even more open-ended, permitting the Secretary to approve a State program which uses toxicants "for the prevention of substantial irretrievable damage to nationally significant resources". S. 819, on the other hand, would permit approval of such a State program "for the prevention of substantial *irretrievable* damage to nationally significant *natural* resources." I believe this language would exclude the use of poisons to protect domestic livestock.

At this point Mr. Chairman, let me emphasize that although I oppose any form of poisoning for predator control, I do support the sheepraising industry. Wool is a precious raw material and reports indicate that demand for it is increasing as the fashion world's romance with synthetic fibers flickers. Furthermore, the prospect of greater opportunities for meat exports—coupled with the present high domestic meat prices—is a strong argument in favor of fostering more, rather than less, sheepraising. Following this theme, I was very interested in the theories and suggestions advanced by Friends of the Earth during the House hearings on March 19 of this year, particularly in the suggestion for training, placement, and financial assistance to new sheepherders. I hope that the National Wool Growers Association will share with the committee its reactions to those proposals, as well as estimates of the needed expenditures.

Mr. Chairman, the third distinction between the bills involves cost. The highest estimate I have received of the cost to taxpayers of the poisoning predator control program was $8 million a year. H.R. 38 proposes to spend even more in each of the first two years—$9.5 million. S. 887 avoids the problem—and also avoids a ceiling—by eliminating authorization estimates. I believe a ceiling is necessary and that States or affected Associations should contribute a substantial share of the funds available for predator control. S. 819 proposes a ceiling of $4 million the first year, $3 million the second, $2 million the third, and $1 million in research money for each succeeding year.

Finally, I believe that although the Federal government should continue to help fund research and to set uniform standards for State control programs, it should extricate itself from both operation and funding of predator control programs over a reasonable time period. The time period established in my bill is three years; the other bills would provide financial assistance for an indeterminate period of time. I am certainly pleased that those public lands not yet needed for parks or preserves can be used for a small fee by sheepowners. I also believe that in view of the government's past willingness to protect sheep on those lands, we bear a responsibility to sheepowners to assist them find an effective alternative to poisoning. But I do not believe that the Federal government should shoulder the large financial burden which has been associated with protecting private herds of sheep in a minority of States.

Mr. Chairman, thank you again for the pleasure of joining you today to present testimony on this crucial issue. I look forward to working with you to secure the passage of legislation on this subject.

S. 819

A bill to authorize a national policy and program with respect to wild predatory mammals; to prohibit the poisoning of animals and birds on the public lands of the United States; to regulate the manufacture, sale, and possession of certain chemical toxicants, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antipoisoning Act of 1973", and that it is the policy of Congress to recognize that the wolf, the coyote, the mountain lion, the lynx, the bobcat, the several species of bear, and other large, wild carnivores native to North America and commonly known as predatory mammals are among the wildlife resources of interest and value to the people of the United States.

DEFINITIONS

SEC. 2. For purposes of this Act—

(a) "public lands" means all publicly-owned lands of the United States;

(b) the term "person" means any individual, organization, or association, including any department, agency, or instrumentality of the Federal Government, a State government, or a political subdivision thereof;

(c) the term "State" means the several States of the Union, Puerto Rico, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and the District of Columbia, but shall not include any political subdivision of the foregoing entities;

(d) the term "chemical toxicant" means any chemical substance which, when ingested, inhaled, or absorbed, or when applied to, or injected into the body, in relatively small amounts, by its chemical action may cause significant bodily malfunction, injury, illness, or death to animals or man;

(e) the term "predatory animal" means any mammal, bird, or reptile which habitually preys upon other animals;

(f) the term "depredating animals" means any nonpredatory mammal or reptile causing damage to agricultural crops or natural resources;

(g) The term "secondary poisoning effect" means the result attributable to a chemical toxicant which, after being ingested, inhaled, or absorbed by or into, or when applied to or injected into a mammal, bird, or reptile, is retained in its tissue, or otherwise retained in such a manner and quantity that the tissue itself or retaining part if thereafter ingested by man or another mammal, bird, or reptile, produces the effects set forth in subsection (d) hereof; and

(h) The term "field use" means any use on lands not in or immediately adjacent to occupied buildings.

PUBLIC LANDS

SEC. 3. (a) Except as provided in subsection (b) of this section, no person shall—

(1) make field use of any chemical toxicant on any Federal lands for the purpose of killing predatory animals; or

(2) make field use on such lands of any chemical toxicant which causes any secondary poisoning effect for the purpose of killing other mammals, birds, or reptiles.

(b) In any specific instance where either the Secretary of the Interior or the Secretary of Agriculture believes, because of unusual and extraordinary circumstances, that it is imperative to use poisons on public lands for animal control, he shall place a Notice of Intention in the Federal Register at least sixty days prior to the proposed beginning of the program and shall give a public hearing to anyone who wishes to protect the poisoning; the program shall not be begun until a review of the protest is made by the Secretary of Interior or Secretary of Agriculture, as the case may be, and a detailed explanation of the need of the program is placed in the Federal Register. The use of poison under such a program must be essential—

(1) to the protection of human health or safety;

(2) to the preservation of one or more wildlife species threatened with extinction or likely within the foreseeable future to become so threatened; or

(3) to the prevention of substantial irretrievable damage to national significant natural resources.

(c) In such emergencies, in the absence of an approved program for control of predatory and depredating animals for the State in question, the Secretary of Interior is authorized to provide technical assistance to a State agency, or to direct Federal personnel to oversee the emergency program.

(d) Any person, including officials, employees, and agents of the United States or

any State, who violates the provisions of this section shall, upon conviction for the first offense, be subject to a fine not to exceed $500 or imprisonment not to exceed six months, or both; upon conviction of a second or subsequent offense, violators shall be subject to a fine not to exceed $10,000, or imprisonment not to exceed 12 months, or both.

(e) There are hereby authorized to be appropriated for the purposes of this section not to exceed $400,000 for each fiscal year occurring after fiscal year 1973.

ALTERNATIVE METHODS OF PREDATOR CONTROL

SEC. 4. (a) In order to assist the States in controlling damage caused by predatory and depredating animals and in order to encourage the use by States of methods which are consistent with accepted principles of wildlife management and the maintenance of environmental quality, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to conduct directly or by agreement with qualified agencies or institutions, public and private, a program of research which shall concern the control and conservation of predatory and depredating animals and the abatement of damage caused by such animals. Research objectives, and the program of research authorized by this subsection, shall be developed by the Secretary in cooperation with each of the affected States.

(b) The program of research authorized by subsection (a) hereof shall include, but need not be limited to—

(1) the testing of methods used for the control of predator and depredating animals and the abatement of damage caused by such animals;

(2) the development of effective methods for predator control and the abatement of damage caused by predatory and depredating animals which contribute to the maintenance of environmental quality and which conserve, to the greatest degree possible, the Nation's wildlife resources, including predatory animals;

(3) a continuing inventory, in cooperation with the States, of the Nation's predatory animals, and the identification of those species which are or may become threatened with extinction; and

(4) the development of means by which to disseminate to States the findings of studies conducted pursuant to this section.

(c) The Secretary is authorized to conduct such demonstrations of methods developed pursuant to subsection (b) and to provide such other extension services, including training of State personnel, as may be reasonably requested by the duly authorized wildlife agency of any State.

(d) There are hereby authorized to be appropriated for the purposes of this section not to exceed $600,000 for each fiscal year occurring after fiscal year 1972.

SEC. 5 (a) In furtherance of the purposes of this Act, the Secretary is authorized to provide in the three fiscal years following enactment financial assistance to any State which may annually propose to administer a program for the control of predatory and depredating animals. To qualify for assistance under this section, any such State program must be found by the Secretary to meet such standards as he may, by regulation, establish except that—

(1) the Secretary shall not approve any such State program which entails the field use of chemical toxicants for the purpose of killing predatory animals or the field use of any chemical toxicant which causes any secondary poisoning effect for the purposes of killing other mammals, birds, or reptiles; and

(2) the Secretary may approve a temporary State program which entails such emergency use of chemical toxicants as he may authorize, in each specific case, for the protection of human health or safety, the preservation of one or more wildlife species threatened with extinction or likely within the foreseeable future to become so threatened, or for the prevention of substantial irretrievable damage to nationally significant natural resources. Such approval will not be made until in each specific case he makes a written finding, following consultation with the Secretaries of the Interior, Agriculture, and Health, Education, and Welfare, and Administrator of the Environmental Protection Agency, that an emergency exists that cannot be dealt with by any means which do not involve the use of chemical toxicants. Prior to his decision to approve or disapprove, the Secretary shall publish notice in the Federal Register of each proposed emergency use being considered under this section. Such notice shall invite the submission from interested parties, within thirty days after the date of notice, or written data and/or views with respect to the proposed emergency use.

(b) An annual payment under subsection (a) hereof may be made to any State in such amount as the Secretary may determine except that—

(1) no such annual payment shall exceed an amount equal to 75 per centum in the first year, 50 per centum in the second year, or 25 per centum in the third year, of the cost of the program approved under subsection (a) hereof;

(2) no such annual payment to any State shall exceed $300,000 in the first fiscal year following enactment, $200,000 in the second fiscal year, and $100,000 in the third fiscal year following enactment:

(3) no payment otherwise authorized by this section shall be made to a State whose share, in whole or part, of the cost of the program approved under subsection (a) hereof is to be paid from funds not appropriated by its legislature; and

(4) not more than 10 per centum of the State share may be from funds derived from sale of hunting, fishing, and trapping licenses or permits.

(c) There is hereby authorized to be appropriated for the purposes of this section $3,000,000 in fiscal year 1974, $2,000,000 in fiscal year 1975, and $1,000,000 in fiscal year 1976.

CONTROL OF POISONS

SEC. 6. (a) It shall be unlawful to manufacture, distribute, offer for sale, hold for sale, sell, ship, deliver for shipment, deliver, receive, or use any compound of thallium sulfate, sodium cyanide, strychnine, or sodium monofluoracetate for field use in predator control programs.

(b) In addition to existing authority under the Federal Insecticide, Fungicide, and Rodenticide Act, the Environmental Protection Agency shall establish a system of recordkeeping and licensing to record the possession and use of all compounds and chemicals encompassed in subsection (a).

(c) The Environmental Protection Agency is authorized to purchase the compounds and chemicals in section (a) from any persons who possess them upon enactment of this Act but whose continued possession becomes unlawful under the Act or regulations issued thereunder.

(d) Any person convicted of any violation of subsection (a), or of any regulation promulgated thereunder, shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

SEC. 7. Heads of Federal departments, agencies, or establishments are hereby authorized to issue such regulations as may be necessary to carry out the purposes of this Act.

SEC. 8. There is hereby repealed in its entirety the Act of March 2, 1931 (7 U.S.C. 426–426(b)), pertaining to the eradication and control of predatory and other wild animals.

SEC. 9. Nothing in this Act shall be construed as superseding or limiting the authorities and responsibilities of the Administrator of the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

SEC. 10. Except as otherwise provided in sections 3, 4, and 6 hereof, there is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

JULIUS SILVER ON TECHNOLOGY AND MEDICINE

Mr. RIBICOFF. Mr. President, an important address on one of the newest fields of medicine has come to my attention. This was a lecture delivered by Mr. Julius Silver at the Israel Institute of Technology, a part of the world famous Technion in Haifa, Israel. Mr. Silver is an outstanding civic leader and philanthropist deeply devoted to furthering health and educational projects both here and abroad.

In his remarks, Mr. Silver drew attention to the importance of biomedical engineering and its unique marriage of medicine and engineering. Mr. Silver also traced the historical development of this concept and examined the future boon to mankind as a result of biomedical engineering. New designs for heart pacemakers, artificial kidneys, heart pumps, and germ free surgical theaters are only a few of the promising prospects.

Israel's significant contribution in this field were cited as well as the establishment of the first biomedical institute in the world there.

I commend Mr. Silver for his perceptive and illuminating remarks on a subject of interest to all concerned with progress in medical science. I ask unanimous consent that the text of his address, "Technology and Medicine," be printed in the RECORD.

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

TECHNOLOGY AND MEDICINE

(By Julius Silver)

Biomedical engineering can build bridges between the life sciences, such as biology and medicine, and the physical sciences, such as physics, chemistry and mathematics. Yet the uninitiated layman may be astonished to discover that an institute of higher learning devoted to biomedical engineering is a rarity in the academic world. When such an institute at Technion was publicly inaugurated in December 1968, it was the first of its kind in this part of the world and indeed, it had few counterparts as an independently structured academic entity in the Western world.

The declared purposes of the biomedical engineering institute at Technion included, on an inter-institutional basis, a program of training engineers and physicians in the biomedical sciences, the sponsorship of research in those sciences, and the creation of educational facilities to support these activities. The declared purposes included the further objective of encouraging in Israel the commercial production and sale of biomedical devices.

The concept of promoting a closer relationship among Israeli engineers in behalf of medical objectives was received with great interest in the academic circles of Israel. It soon became apparent to the leadership of Technion that there was an enormous latent

and unsatisfied appetite in the engineering community for greater involvement in the life sciences. At the same time, the medical community of Israel recognized in this institute the opportunity to enlist practitioners of the physical sciences in a mutually advantageous collaboration in the perpetual crusade for the improvement of health care. It seems that, certain sponsors of Technion, government officials and lay members of the community also recognized the manifold advantages of such a collaborative effort. These were the essential motivations for the recent merger which brought the Rambam Hospital and the Aba Khoushy Medical School into the Technion family.

This institutional marriage represents an achievement of great administrative and diplomatic skill. Here, at Technion, for the first time in this part of the world, the highly desirable objective has been realized of centralizing in one institution the indispensable components of biomedical engineering. Henceforth, the administrators of one institution have the capability and potentiality for leadership in a total program supported and enriched by medical as well as engineering faculties and student bodies, by an outstanding hospital, by laboratories and equipment for research, by libraries and other educational facilities, and by the means for reduction to practice of the fruits of collaboration of medicine and technology.

This union opens unlimited vistas of challenge and opportunity to add adaptations of revolutionary modern discoveries in the physical sciences to the epoch-making progress of the medical sciences. This union also promises to mitigate the effects of the fragmented specialization in science which has in the past inhibited inter-disciplinary collaboration.

During its long history, Israel has given birth to some of the major ideologies of Western civilization. It has had occasion to observe the manner and extent to which these ideologies have been nourished and sustained by the creation and the growth institutions dedicated to the perpetuation of these ideologies. From the standpoint of historical perspective, it is understandable that Israel should be responsive to an idea, no matter how modest and unpretentious its origin, if it lends itself to institutionalization and if it appears capable of providing its own dynamism for growth and progress.

If the institutional marriage of medicine and engineering is so rational and so full of promise, why is it such a rare phenomenon?

We are reminded that engineering originally involved the science and practice of designing and building machines of war and facilities to serve military purposes. About the middle of the 18th century, a new class of engineers became involved in projects not exclusively military. In contrast to its predecessors, such practitioners became known as "civil" engineers. The growth of commerce and industry and the consequent urge for specialization led to the training of mechanical engineers who were concerned with steam engines, means of transport, machine tools and the production equipment of the industrial revolution. In the course of time, academies of higher learning were training mining engineers, marine, sanitary, chemical and electrical engineers. We may note that these specialized engineers in the first half of the 19th century had little interest or qualification for involvement in the world of biology or of medicine.

Turning briefly for a bird's eye view of the history of the life sciences, we note that early medicine was based on observation and experience rather than on investigation and analysis. The early medicine of the Greeks rested on the notion that disease was caused by malfunction of four liquids or humours of the body.

The progressive medicine of the 16th century was influenced in part by the invention of printing and by the religious schisms which sparked a reexamination of established values. The advent of a school of art which studied the human body as a model created the impetus for a detailed knowledge of anatomy.

In the latter part of the 19th century, the outlook on the nature of living things underwent a profound change due to the discovery of an essential identity in certain of the life processes of plants and animals, such as nutrition, respiration and reproduction. The age of Darwin's "Origin of Species" focused scientific attention on the life processes that had evolved from plants to animals to human beings, and these concepts underlined the unifying elements inherent in the functioning of all living things.

The science of medicine influenced by the spread and development of education, began to embrace all branches of so-called "natural science". It reached out to borrow from biology, from chemistry, from physics, geology and ethnology; it tested the applicability of each emerging field of knowledge. In this way, for example, the science of biochemistry arose out of a union of biology and physiological chemistry to study body functions, or metabolism. Similarly, the science of biophysics developed to share the common ground of biology and physics. The adaptation of these and other specialized sciences and combinations of sciences led to notable advances in pathology, pharmacology, physiology and anatomy. As knowledge in these areas became more detailed, surgery became more daring, probing the interior of the human skull and chest.

The ramifications of medical knowledge grew to the extent that no single individual could grasp the total scope of its almost limitless horizons. Accordingly, the age of the specialist in medical practice dawned and specialization became more and more prevalent.

Specialists are said to learn more and more about less and less. Specialization in science has manifold advantages as well as drawbacks, depending on the discretion with which the specialized knowledge is applied to an overall objective. In general, it may be said that specialization is most useful—not when it stands alone—but when it is conjoined with one or more specialities.

In an age of specialization in medicine it has become necessary to create mechanisms in education and practice that emphasize the need for understanding the human being as a whole. Otherwise, the practice of medicine by specialists tends to became impersonal and the physician tends to diminish his effectiveness in the art of treating the whole person.

Those of us who are familiar with industrial research which is supervised and monitored to achieve a common organizational objective will agree, I believe, that a grouping of specialists may create a totality greater than the sum of its parts. Now one, now another, of the specialists contributes an idea or a procedure out of his experience which moves the project on to a higher plateau and thus brings the objective a little nearer to realization. No single one of the specialists could have achieved this result without collaboration.

Each specialist thinks in terms of his discipline, his training and experience and he instinctively defines the limits of his capacity in these terms. The medical researcher lives with the variables which are characteristic of the animal world. Such variables are not ordinarily germane in the world of the physical scientist who can repetitively examine a hypothesis free of certain of the limitations of research in the life sciences.

Many technical as well as social and professional barriers inhibit interchanges among separated disciplines and thus limit the scope and effectiveness of specialized knowledge. How except by accident or good fortune could one expect a physician to conceive of the medical potentialities of spectroscopic instrumentation? Conversely, where would you find a practicing engineer who could conceptualize the creation of an Enders type viral environment in the study of immunology which led to the polio vaccines. The chemist who is accustomed to the use of the electron microscope or the physicist who observes differences in the appearance of phenomena under ultraviolet light may advance the work of the medical researcher; but only if those scientists are brought together to understand each other's objectives, capabilities and limitations.

It is highly desirable that sophisticated technology, equipment and instrumentation familiar to the engineering profession should be enlisted in the service of medical research and practice. The specialists in both fields must have the benefit of an environment in which interaction is natural, confident, useful and mutually satisfying.

Unfortunately in the past, the most talented and promising engineers found greater opportunities for professional recognition and career advancement in the older specialties of engineering practice. Moreover, the medical practitioner has on occasion treated the engineer as a mechanic or craftsman rather than as a full-fledged partner in the search for the solution of specialized medical needs.

We are now and here witnessing the emergence of an understanding of the need for a radical restructuring of the relationship between medicine and engineering on several fronts, each one critical, all interdependent. It is necessary to educate selected engineering students at the undergraduate level in biomedical as well as in engineering subjects. It is necessary to create an atmosphere in which the physician or the medical researcher will treat with the engineer as an equal, not in sporadic or occasional dialogues but in a continuous search for solutions in which each partner participates in common objectives. It is necessary to provide prestige and teaching opportunities in postgraduate studies for masters and doctoral candidates in biomedical engineering. It is necessary to combine all the facilities in a common environment in which the engineer as well as the physician has access to his tools, his intrumentation, his library and his faculty associates. It is also necessary to encourage local industries to exploit opportunities for manufacturing and marketing biomedical products.

In a biomedical engineering institute we may hope to find, in the course of time, such advances as definements in radiology and in the fashioning of alloys for medical uses. We may hope to develop machines to act as artificial kidneys for the periodic relief of abnormal function. We may look for the design of miniaturized Pacemakers to stimulate ailing heart action, or of a heart pump that will bypas an organ under repair. We may anticipate the improvement of artificial functioning limbs, substitutes for lenses of the eyes and artificial sensors for the blind. We can envision the development of controlled environments, such as germ-free surgical theatres, and of improved hyperbaric chambers with variable atmospheric pressures. We may hope to provide sensitive and less expensive intensive care units with electrical readouts, computerized procedures for diagnosis for multi-phasic screening and record keeping and for the collection of medical data in the management of health care centers.

These were the considerations which induced the faculty and administration of Technion with characteristic energy, courage and resolution, to react promptly to the challenge to establish in this part of the world an Institute for Biomedical Engineering Sciences. These were the incentives that led to the brilliant achievement of bringing a great hospital and medical school into the total complex that has become a reality in this time and place. The prospects are most encouraging for the success of this alliance and

our hopes for its progress are intensified by the particularly favorable conditions existing in Israel.

A number of factors favor the progress of such an institution in this environment, factors flowing from greater flexibility in the academic and industrial communities in Israel. There is a sense of national urgency which induces collaboration between centers of higher learning. Physicians and engineers are not separated physically and by sheer weight of numbers to the same extent as in the Western world. In this compact academic and professional community they learn to know each other in military, paramilitary, as well as in civilian activities and they share a common determination to sacrifice personal interests in the process of weaving a strong, equitable and defensible social fabric. The distances are smaller here between the academic centers of higher learning, hospitals are near at hand, there is access to a vast pool of skilled hand-workers and entrepreneurs motivated to make prototype instrumentation for development and sale. Many foreign consultants are eager and willing to lend their experience and expertise, the costs of research are much lower than in the Western world and there is less insistence by local industry on large-scale assembly-line mass production. All these factors and many others support the conclusion that biomedical engineering science may flourish in Israel with less of the frustrations that flow from the preoccupations, the distractions of size and the motivations characteristic of older and more stratified societies.

It is our hope that in this country, in this atmosphere of high intellectual and scientific content, there may develop from this small beginning a significant contribution to the economy of Israel and to the health of people all over the world.

GAO REPORT ON FLIGHTS MADE BY THE PRESIDENT AND HIS CABINET DURING THE 1972 ELECTION CAMPAIGN

Mr. PROXMIRE. Mr. President, last September, I asked the General Accounting Office to determine the extent to which the Committee for the Reelection of the President was paying for the political trips of the President, the Vice President, the Cabinet, and other members of the administration.

I have now received a report from the Comptroller General giving much of that information.

According to his facts, the Committee to Reelect the President reimbursed the Government for 23 trips out of 103 trips made by the 89th Military Airlift Wing on behalf of the White House and the Cabinet from September 1 through election day. Whether any of the remaining trips were political and should have been paid for is not determined by the GAO.

The White House refused to allow the GAO access to the flight logs of the Presidential crew. However, some 32 trips made by the Presidential crew have since been paid for by the Committee to Reelect the President.

May I also say that I am the Member of Congress refered to anonymously by the General Counsel of the GAO Mr. Paul H. Dembling when he testified before the Subcommittee on Foreign Operations and Government Information of the House Government Operations Committee recently.

Until I have had an opportunity to carefully analyzed the information presented to me by the Comptroller General I shall make no further comment about it. However, I think it should be made public and I ask unanimous consent that the letter from the Comptroller General and summary of the trips be printed at this point in the RECORD.

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

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., April 13, 1973.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: In accordance with your request of September 27, 1972, and subsequent discussions with your office, GAO has examined trips taken by the President and his family, the Vice President, White House Staff, and Cabinet officers. It was agreed that our examination would be limited to transportation provided by the 89th Military Airlift Wing, Andrews Air Force Base (AFB), Washington, D.C., during September, October, and the first week of November 1972. It was also agreed that the specific information we would furnish you would be a list of the trips made by those mentioned above with an indication as to which trips were paid for by the Finance Committee to Re-Elect the President and the amount the Committee reimbursed the Government.

From flight records of the 89th Military Airlift Wing, we identified 103 trips made by the White House and the Cabinet officers. We found that the Finance Committee to Re-Elect the President had reimbursed the Government for 23 of the trips. Our examination was restricted to trips made by other than the Presidential pilot and crew because the Presidential crew's flight records were not available to us.

However, information obtained by our Office of Federal Elections showed an additional 32 trips made by the Presidential crew and paid for by the Finance Committee to Re-Elect the President. We could not determine the total number of trips made by the crew during the period under examination.

SUMMARY OF TRIPS MADE BY OTHER THAN PRESIDENTIAL CREW

We identified from flight logs 103 trips made by the 89th Military Airlift Wing for the White House and for Cabinet officers between September 1 and November 7, 1972.

Twenty-six of the trips were made by Cabinet officers, and the costs were paid by the agency involved except in the case of the Secretary of Defense. Eight trips made by Secretary of Defense Laird were charged to the 89th Military Airlift Wing appropriation.

The remaining 77 trips were made for the White House. The flight logs for these trips showed only itinerary data and not the names of passengers. The Finance Committee to Re-Elect the President has reimbursed the Government $50,355 for 23 of these trips.

Details of the 103 trips, including an indication as to whether costs were paid by the Finance Committee to Re-Elect the President, are included in enclosure I.

TRIPS MADE BY THE PRESIDENTIAL CREW

Our examination of payment documents at the Air Force Finance Office, Bolling AFB, Washington, D.C., and information available at our Office of Federal Elections showed that the Finance Committee to Re-Elect the President had paid $98,936 for 32 additional White House trips made by the 89th Military Airlift Wing during the period we examined. These trips were not included in the 103 we identified through flight logs on file at Andrews AFB and manifests at Headquarters, Military Airlift Command. Scott AFB, Illinois. We assume that they were made by the Presidential crew and that the pertinent logs and manifests were retained by the Military Assistant to the President. Details of these trips are included as enclosure II.

LIMITATIONS ON AVAILABLE FLIGHT DATA

The 89th Military Airlift Wing is responsible for fulfilling the air transportation requirements of the President and other key Government officials. Air Force officials informed us that the Military Assistant to the President maintains flight log information and manifests for trips made by the Presidential pilot and crew. Flight log information for all other trips flown by the 89th Military Airlift Wing are on file at Andrews AFB.

All flight manifests are maintained at Headquarters, Military Airlift Command, except those pertaining to White House flights. The Military Assistant to the President maintains the manifests for all White House flights, even those not flown by the Presidential crew.

In response to our request for the flight and manifest data, the Counsel to the President said that such records have been traditionally considered personal to the President and thus not subject to inquiry by the Congress.

We trust this information is satisfactory. We will be glad to discuss this matter in detail with you or members of your staff.

Sincerely, yours,

ELMER B. STAATS,
Comptroller General of the United States.

SUMMARY OF TRIPS BY OTHER THAN PRESIDENTIAL CREW FOR WHITE HOUSE AND CABINET OFFICERS BETWEEN SEPT. 1 AND NOV. 7, 1972

Date	Agency	Itinerary	Passenger	Cost paid by—
Cabinet (26 flights):				
Sept. 24	State	Andrews AFB to LaGuardia International Airport, N.Y., and return	Secretary of State	Department of State.
Sept. 29	do	LaGuardia International Airport, N.Y., to Andrews AFB	do	Do.
Oct. 2	do	Andrews AFB to LaGuardia International Airport, N.Y., and return	do	Do.
Oct. 10	do	Andrews AFB to LaGuardia International Airport, N.Y	do	Do.
Oct. 12	do	LaGuardia International Airport, N.Y., to Andrews AFB	do	Do.
Sept. 21	Justice	Andrews AFB to Myrtle Beach AFB, S.C	Attorney General	Department of Justice.
Sept. 23	do	Myrtle Beach AFB, S.C., to Andrews AFB	do	Do.
Sept. 6	Labor	Andrews AFB to Sullivan County International Airport, N.Y., and return	Secretary of Labor	Department of Labor.
Sept. 13	Agriculture	Andrews AFB to Des Moines and Burlington, Iowa, to Mankato, Minn., and return to Andrews AFB.	Secretary of Agriculture	Department of Agriculture.
Oct. 30	do	Andrews AFB to Bloomington, Ill., to Amarillo, Tex., to Albuquerque and Kirkland, N. Mex.	do	Do.

SUMMARY OF TRIPS BY OTHER THAN PRESIDENTIAL CREW FOR WHITE HOUSE AND CABINET OFFICERS BETWEEN SEPT. 1 AND NOV. 7, 1972—Continued

Date	Agency	Itinerary	Passenger	Cost paid by—	
Sept. 1	Treasury	Andrews AFB to Westover AFB, Mass	Secretary of the Treasury	Department of the Treasury.	
Sept. 4	do	Westover AFB, Mass., to Andrews AFB	do	Do.	
Oct. 21	do	Andrews AFB to Ingalls Field, Va., and return	do	Do.	
Oct. 25	do	Andrews AFB to Chicago, Ill	do	Do.	
Oct. 28	do	Chicago, Ill., to Andrews AFB	do	Do.	
Nov. 2	do	Andrews AFB to Logan International Airport, Mass., and return	do	Do.	
Oct. 19	Commerce	Andrews AFB to Tinker AFB, Okla., to Los Angeles, Calif., and return to Andrews AFB.	Secretary of Commerce	Department of Commerce.	
Nov. 6 and 7	do	Andrews AFB to Chicago, Ill., and return	do	Do.	
Sept. 5 and 6	Defense	Andrews AFB to Alameda Naval Air Station, Calif., to Knoxville, Tenn., and return to Andrews AFB.	Secretary of Defense	Air Force appropriation for operating the 89th Military Airlift Wing.	
Sept. 18 and 19	do	Andrews AFB to Mosinee, Madison, and Stevens Point, Wis., and return to Andrews AFB.	do	Do.	
Sept. 22	do	Andrews AFB to Hagerstown, Md., and return	do	Do.	
Sept. 26 and 28	do	Andrews AFB to Tinker AFB, Okla., to Sheppard AFB and Carswell AFB, Tex., to McConnell AFB, Kans., and return to Andrews AFB.	do	Do.	
Oct. 13 and 14	do	Andrews AFB to Pensacola, Fla., and return	Secretary of Defense	Do.	
Oct. 21 to 23	do	Andrews AFB to East Hartford, Conn., to Quonset Point, R.I., to East Hartford, Conn., and return to Andrews AFB.	do	Do.	
Oct. 25 to 31	do	Andrews AFB to London, England; to Rota, Spain; to Norfolk, Va., and return to Andrews AFB.	do	Do.	
Nov. 2 and 3	do	Andrews AFB to Oshkosh, Mosinee, and Madison, Wis., and return to Andrews AFB	do	Do.	
White House (77 flights):					
Sept. 14		Andrews AFB to Birmingham, Ala., and return	Unknown	Do.	
Sept. 19		Andrews AFB to Montgomery, Ala., and return	do	Do.	
Sept. 19 to 21		Andrews AFB to Los Angeles and San Francisco, Calif., and return to Andrews AFB	do	Do.	
Oct. 30 and 31		Andrews AFB to El Toro, Calif., and return	do	Do.	
Nov. 3 to 7		Andrews AFB to El Toro and Ontario, Calif., and return to Andrews AFB	do	Do.	
Sept. 12		Andrews AFB to Colorado Springs, Colo., and return	do	Do.	
Oct. 22 and 23		Andrews AFB to Homestead AFB, Fla., to Ashland, Ky., and return to Andrews AFB	do	Do.	
Oct. 27 and 28		Andrews AFB to Tristate Airport, W. Va., to Ashland, Ky., to Homestead AFB, Fla., and return to Andrews AFB.	do	Do.	
Nov. 7		Andrews AFB to Homestead AFB, Fla., and return	do	Do.	
Sept. 9		Andrews AFB to Atlanta, Ga., and return	do	Do.	
Oct. 4		do	do	Do.	
Oct. 23		Andrews AFB to Chicago, Ill., and return	do	Do.	
Oct. 24		Andrews AFB to Ashland, Ky., and return	do	Do.	
Oct. 19		Andrews AFB to Detroit, Mich., and return	do	Do.	
Sept. 8		Andrews AFB to Selfridge AFB, Mich., and return	do	Do.	
Sept. 19		Andrews AFB to Minneapolis, Minn., and return	do	Do.	
Sept. 10 and 11		Andrews AFB to Nellis AFB, Nev., and return	do	Do.	
Sept. 18		Andrews AFB to Newark, N.J., and return	do	Do.	
Nov. 6 and 7		Andrews AFB to Islip, N.Y., and return	do	Do.	
Oct. 22 and 25		Andrews AFB to Albuquerque, N. Mex., and return	do	Do.	
Sept. 6		Andrews AFB to JFK International Airport, N.Y., to Cleveland, Ohio, and return to Andrews AFB.	do	Do.	
Oct. 13 and 14		Andrews AFB to JFK International Airport and Westchester County Airport, N.Y., and return to Andrews AFB.	do	Do.	
Sept. 24		Andrews AFB to JFK International Airport, N.Y., and return	do	Do.	
Sept. 8		Andrews AFB to LaGuardia International Airport, N.Y., and return	do	Do.	
Sept. 9		do	do	Do.	
Sept. 13 and 14		Andrews AFB to LaGuaradia International Airport, N.Y., and return	Vice President	Do.	
Sept. 17		Andrews AFB to Dulles International Airport, Va., to LaGuardia International Airport, N.Y., and return to Andrews AFB.	Unknown	Do.	
Sept. 19		Andrews AFB to LaGuardia International Airport, N.Y., and return	do	Do.	
Sept. 20		Andrews AFB to LaGuardia International Airport, N.Y., and return	do	Do.	
Sept. 26		do	do	Do.	
Sept. 25		do	do	Do.	
Sept. 28		do	do	Do.	
Sept. 30		do	do	Do.	
Do		do	do	Do.	
Oct. 3		do	Dr. Henry Kissinger	Do.	
Sept. 28 and 29		Andrews AFB to LaGuardia International Airport, N.Y., to Johnson City, Tex., and return to Andrews AFB.	Unknown	Do.	
Oct. 24 and 25		Andrews AFB to LaGuardia International Airport, N.Y., and return	do	Do.	
Nov. 3 and 4		do	do	Do.	
Oct. 13		Andrews AFB to Youngstown and Cleveland, Ohio, and return to Andrews AFB	do	Do.	
Oct. 27		Andrews AFB to Cleveland, Ohio, and return	do	Do.	
Oct. 16		Andrews AFB to Philadelphia, Pa., and return	do	Do.	
Sept. 13		Andrews AFB to Philadelphia and Pittsburgh, Pa., and return to Andrews AFB	do	Do.	
Sept. 15		Andrews AFB to Wilkes-Barre, Pa., and return	do	Do.	
Sept. 5 and 6		Andrews AFB to Beaufort, S.C., and return	do	Do.	
Oct. 6 and 7		Andrews AFB to Ellsworth AFB, S. Dak., to Seattle, Wash., and return to Andrews AFB.	do	Do.	
Oct. 9 and 10		do	do	Do.	
Sept. 14		Andrews AFB to McGhee-Tyson Field, Tenn., and return	do	Do.	
Sept. 22 and 23		Andrews AFB to Harlingen AFB and Randolph AFB, Tex., and return to Andrews AFB.	do	Do.	
Oct. 26 and 27		Andrews AFB to Charleston and Huntington, W. Va., and return to Andrews AFB	do	Do.	
Oct. 19		Andrews AFB to Hot Springs, W. Va., and return	do	Do.	
Oct. 21		do	do	Do.	
Oct. 26		Andrews AFB to Huntington, W. Va., to Ashland, Ky., and return to Andrews AFB	do	Do.	
Oct. 27		Andrews AFB to TriState Airport, W. Va., and return	do	Do.	
Oct. 11		Andrews AFB to Atlantic City, N.J., and return	do	Do.	
Sept. 13		Andrews AFB to Philadelphia and Pittsburgh, Pa., to Andrews AFB	Mr. Robert Finch	Finance Committee to Re-Elect the President.	$1, 124. 51
Sept. 18 to 20		Andrews AFB to Billings and Yellowstone, Mont., and Idaho Falls, Idaho, to Andrews AFB.	Unknown	do	10, 875. 08
Sept. 18 to 21		do	do	do	
Oct. 23		Andrews AFB to Lockbourne, Ohio, and return	President's family	do	1, 025. 68
Oct. 27		Andrews AFB to Shreveport, La., to Gulfport, Miss., to Keesler AFB, Miss., to Minneapolis, Minn., and return to Andrews AFB.	do	do	5, 333. 54
Oct. 28		Andrews AFB to Detroit, Mich., and return	do	do	1, 179. 53
Sept. 14		Andrews AFB to Trenton, N.J., and return	do	do	564. 13
					769. 26
					72. 00
Sept. 5		Andrews AFG to Mayport Naval Air Station, Fla., and return	do	do	1, 538. 52
Sept. 8		Andrews AFG to Chicago, Ill., and return	do	do	1, 025. 68
Sept. 10		Andrews AFG to Cleveland, Ohio, and return	do	do	512. 84
Sept. 11		Andrews AFG to LaGuardia International Airport, N.Y., and return	do	do	1, 384. 68
Sept. 12		Andrews AFB to Nashville, Tenn., and return	do	do	2, 923. 18
Sept. 28 and 29		Andrews AFB to Birmingham, Ala., to Craig AFB, Ala., to Little Rock, Ark., to Raleigh-Durham, N.C., and return to Andrews AFB.	do	do	

Date	Agency	Itinerary	Passenger	Cost paid by—	
Oct. 1		Andrews AFB to Milwaukee, Wis., and return	President's family	Finance Committee to Re-Elect the President	$1,641.08
Oct. 4		Andrews AFB to Indianapolis, Ind., and return	do	do	1,435.95
Oct. 5		Andrews AFB to Richards-Gebaur AFB, Mo.; to Los Angeles, El Toro, and Ontario, Calif.; to Cleveland, Ohio, and return to Andrews AFB.	do	do	6,154.08
Oct. 6		Andrews AFB to Westchester County Airport, N.Y., to Montpelier, Vt., to Berlin, N.H., and return to Andrews AFB.	do	do	1,791.68
Oct. 18		Andrews AFB to Columbia and Myrtle Beach, S.C. and return to Andrews AFB	do	do	1,384.67
Oct. 23		Andrews AFB to Offutt AFB, Nebr., to Medford, Oreg., to McClellan AFB, Calif., and return to Andrews AFB.	do	do	6,820.77
Oct. 26		Andrews AFB to Huntington, W. Va., to Ashland, Ky., and return to Andrews AFB	do	do	1,208.34
Nov. 6		Andrews AFB to LaGuardia International Airport and MacArthur Airport, N.Y., and return to Andrews AFB.	do	do	666.69
Nov. 7		Andrews AFB to MacArthur Airport, N.Y., and return	do	do	410.27
Nov. 4		Harrisburg, Pa., to Willow Grove, Pa	do	do	512.84
		Total			[1] 50,355.00

[1] 23 flights paid by Finance Committee to Re-Elect the President.

WHITE HOUSE TRIPS BY THE PRESIDENTIAL CREW BETWEEN SEPT. 1 AND NOV. 7, 1972, FOR WHICH THE COST WAS PAID BY THE FINANCE COMMITTEE TO REELECT THE PRESIDENT

Date	Itinerary	Passenger	Amount of reimbursement
Sept. 22 and 23	Andrews AFB to Laredo, Harlingen, and San Antonio, Tex., and return to Andrews AFB	President Nixon and staff	$8,283.68
Sept. 18 to 20	Andrews AFB to Chicago, Ill., to Billings, Mont., to Idaho Falls, Idaho, to Moffett Field, Calif., to San Antonio, Tex., to Oklahoma City, Okla., and return to Andrews AFB.	President's family	16,794.30
Sept. 23	Andrews AFB to Chicago, Ill., and return	do	1,641.09
Sept. 26	Andrews AFB to Kansas City, Kans., to Stapleton and McCarren, Calif., to Phoenix, Ariz., to Sante Fe and Carlsbad, N. Mex., and return to Andrews AFB.	do	5,846.38
Oct. 24	Andrews AFB to Morgantown, W. Va., and return	do	669.69
Oct. 30	Andrews AFB to Syrcuse and Buffalo, N.Y., and return to Andrews AFB	do	1,333.88
Do	Andrews AFB to Wausau, Wis., and return	do	1,948.79
Sept. 7	Andrews AFB to LaGuardia International Airport, N.Y., and return	do	820.54
Sept. 9	Andrews AFB to Willow Grove, Pa., and return	do	512.84
Sept. 10	Andrews AFB to LaGuardia International Airport, N.Y., and return	do	461.55
Sept. 12	Andrews AFB to St. Louis, Mo., to Cleveland and Port Columbus, Ohio, and return to Andrews AFB	do	2,410.34
Sept. 16	Andrews AFB to Port Columbus, Ohio, and return	do	1,025.68
Do	Andrews AFB to Philadelphia, Pa. and return	do	615.39
Sept. 21 and 22	Andrews AFB to Bismark and Fargo, N. Dak., to Sioux Falls, S. Dak., and return to Andrews AFB	do	3,589.88
Sept. 15	Andrews AFB to Morristown, Pa., and return	do	410.27
Sept. 16	Andrews AFB to LaGuardia International Airport, N.Y., and return	do	358.99
Sept. 26 to 28	Andrews AFB to Newark N.J., to Oakland and Los Angeles, Calif., and return to Andrews AFB	President Nixon	11,574.45
Oct. 9	Andrews AFB to LaGuardia International Airport, N.Y., and return	President's family	769.26
Oct. 13	Andrews AFB to Quincy, Ill., to Kansas City, Kans., to Wheeling, W. Va., to Hagerstown, Md., and return to Andrews AFB	do	2,666.76
Sept. 4 and 5	Andrews AFB to Harrisburg, Pa., to LaGuardia International Airport, N.Y., and return to Andrews AFB	do	1,025.68
Oct. 15	Andrews AFB to Buffalo, N.Y., and return	do	1,025.68
Oct. 19	Andrews AFB to Detroit and Wayne, Mich., and return to Andrews AFB	do	1,179.53
Oct. 31 and Nov. 1	Andrews AFB to Lawrence G. Hanscom Field, Mass., and return	do	1,025.68
Oct. 10	Andrews AFB to JFK International Airport, N.Y., and return	do	36.00
Oct. 12	Andrews AFB to Atlanta, Ga., and return	President Nixon	2,723.40
Oct. 23	Andrews AFB to Westchester County and MacArthur Airports, N.Y., and return to Andrews AFB	do	1,929.08
Oct. 28	Andrews AFB to Cleveland, Ohio, to Saginaw, Mich., and return to Andrews AFB	do	3 971.63
Nov. 3	Andrews AFB to Chicago, Ill., to Tulsa, Okla., to Providence, R.I., and return to Andrews AFB	do	8,510.63
Nov. 2	Andrews AFB to Grand Rapids, Mich., to Chicago, Ill., and return to Andrews AFB	President's family	1,794.94
Nov. 4	Andrews AFB to Greensboro, N.C., to Albuquerque, N. Mex., to Ontario and El Toro, Calif., and return to Andrews AFB	President Nixon	11,687.93
Sept. 1	El Toro, Calif., to Seattle, Wash., and return	President's family	2,256.50
Oct. 21	JFK International Airport, N.Y., to Andrews AFB	do	36.00
	Total		[1] 98,936.44

[1] 32 flights.

THE IMPORTANCE OF FEDERAL AID FOR RURAL WATER AND SEWER PROJECTS

Mr. FULBRIGHT. Mr. President, it is most instructive to observe what the current administration regards as pork barrel projects, not of any real importance to the citizenry, and what it regards as priority projects, necessary to the security and well-being of the American public.

The President and his spokesmen categorized the program of grants to rural communities for water and sewer systems as "pork barrel" and "low priority" programs.

The Secretary of the Department of Housing and Urban Development, in an article in the New York Times, said the water sewer system program "is not targeted on the needy. Tne grants go to benefit the rich and poor alike."

Mr. President, I would strongly disagree. The water and sewer grants do go to the needy, or at least they would if the administration had not done its best to stifle this program for the past 3 years through impoundment.

We do not have many rich people in Arkansas, but if a few of them are incidental beneficiaries of water and sewer systems, I do not believe this is contrary to our form of government, which is supposed to serve all the people.

According to the 1970 census, there were 672,967 permanent housing units in Arkansas, and 230,377 of these did not have access to public or private water distribution systems, and 317,286 were not connected with a sewer system. Nearly all of these housing units were in rural areas, and let me assure you that the occupants of these houses are not rich people.

There are at least 100 pending applications from Arkansas for water and waste disposal grants from the Farmers Home Administration. These requests, for more than $11 million in grants, were on hand and not funded at the time the President cut off the program. There has been a consistent backlog of more than 100 applications from Arkansas for several years.

Apparently the President thinks that $11 million would be better spent elsewhere. After all, that $11 million would buy almost one-half of an F–14 plane. Originally it would have bought a whole F–14, but the cost overrun has now more than doubled the price for this dubious aircraft.

The entire amount which the President would have been required to spend this fiscal year under the vetoed legislation—$120 million—is about 7 percent of the amount the Pentagon plans to spend in just 1 year, fiscal 1974, for the Trident submarine.

At the same time the President was vetoing legislation for water and sewer system grants, he was pledging a large, if undisclosed amount of aid, to South Vietnam's President Thieu. Has anyone asked why the hundreds of millions the President wants to give to President Thieu is not pork barrel, not inflationary, and will not lead to higher taxes?

An article in the Washington Post on April 8, indicated that we spent almost $1 billion in Korea last year for our troops and installations there, and in assisting the South Korean military and government. The President has indicated

that he wants to continue spending at something near that level. But that, we are to assume, is not inflationary and has no effect on our taxes. Nor for that matter, we must assume, is the $17 billion that the majority leader (Mr. MANSFIELD) has reported we spend in relation to our NATO forces.

Additionally, I do not believe I have seen any explanation from the President of how the $3.2 billion he plans to spend on the space program in fiscal year 1974 is "anti-inflationary" and going to hold down taxes, particularly in contrast to funds for water and sewer systems, vocational rehabilitation, libraries, and educational programs, which are among the many activities the President wants to cut or terminate.

Following the failure of the House to override the President's veto of water-sewer funds, the Washington Star-News, in an article by Ronald Sarro, referred to the veto as part of the President's "anti-inflation" program.

John Chancellor, on the NBC Nightly News, referred to the water-sewer funds for rural communities as "pork barrel legislation dear to the hearts of Congressmen."

I would like to know if the Star-News has reported that the $83 million Pentagon budget and the overall $119 billion budget for military and military-related expenditures are part of the "anti-inflation" program of the President?

Has Mr. Chancellor reported that the Trident submarine or the nuclear aircraft carrier or the C5–A or the F–14 are "pork barrel projects dear to the heart of the President?"

Which are the real pork barrel projects—subsidies for the aviation, defense and maritime industries or programs to develop the infrastructure of our small communities? Bailing out Lockheed or Grumann or Litton is not considered pork barrel, but trying to aid small communities develop the amenities to become attractive places to live is viewed as some kind of useless boondoggle.

I believe the press would do well to examine the situation because a number of reporters seem to have accepted the President's terminology at face value and therefore give credibility to it, in turn influencing millions of readers and viewers across the country.

I think the media would perform a real public service as well as a contribution to our understanding of the language, if we could have an explanation of why the the millions we pour into military assistance programs to Cambodia, Thailand, Korea, Taiwan, and Turkey are not "give-aways" or "pork barrel" but funds to aid community and human development in this country area.

Mr. President, one of the claims made by the President in his veto of the water-sewer grants is that funds could be obtained elsewhere for the same purposes, specifically through the Environmental Protection Agency. Like so many other claims made about the President's budgetary policies, this one contains a particle of truth and a large amount of misleading malarkey.

As an official of the Little Rock Office of the Farmers Home Administration, Mr. Lewis Robertson, has pointed out—

EPA grant money available for sewer systems is distributed on a formula that gives priority to large cities and none is ever left for the small towns FHA serves . . . It's hard to understand how these little towns can do it by themselves.

An examination of the EPA pollution control funds available to Arkansas shows that because of impoundment and planned cutbacks the total for fiscal years 1973 and 1974 combined—$17.7 million—is less than the fiscal year 1972 total of $19 million. Once again there is a huge backlog of applications.

Much of the money available to Arkansas will go for just one city, Hot Springs, which has a particularly critical need. Altogether there are some 125 communities and improvement districts ready to proceed on EPA projects with a total cost of almost $58 million, and it has been estimated that, spread over a 5-year period, these projects would cost $75 million.

This estimated cost is bound to increase, however, because so many projects are being delayed.

Much has been written and said in recent years about the problems of our urban areas. One of the ways we can ease the burden on our big cities is to make our smaller communities attractive and viable places to live. Yet these communities are unable to obtain the relatively small amounts needed to develop this basic infrastructure of water and sewer facilities.

I have been encouraged in recent weeks to see that some national journalists, such as Joseph Kraft, and newspapers such as the Washington Post, have commented on the orderly, sensible development in the State of Arkansas, where we have succeeded in revitalizing many of our communities. Much of the credit for this development goes to programs like that of the Farmers Home Administration, along with the Economic Development Administration and Ozarks Regional Council, programs the President also plans to terminate.

In nearly every case these small towns have raised local funds to support these projects and have sought federal grants and loans to supplement the local funds. Many communities have successfully implemented such projects, but as I have pointed out, many others remain without water and sewer systems.

Numerous communities have encountered delay after delay in getting Federal assistance for these projects and the future, based on the President's proposals, can only be described as bleak. The result is that many of these small towns face the prospect of "drying up" and their residents will flock to the cities, adding to the considerable problems already encumbering our urban areas. The increase in cost of welfare in the cities resulting from this shift in population will probably be much more than the amount involved in FHA grants.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the pending but unfunded applications for Farmers Home Administration water and sewer grants in Arkansas, and an article by David Broder of the Washington Post, as printed in the Arkansas Democrat of April 8, detailing the administration's large-scale public relations operation on behalf of the President's proposals.

I also ask unanimous consent, Mr. President, to have printed in the RECORD a resolution adopted by the Arkansas Commission on Pollution Control and Ecology on March 28 concerning the problems facing municipalities in financing sewerage facilities.

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

CENTRAL WATER AND WASTE DISPOSAL GRANT APPLICATIONS ON HAND AND NOT FUNDED AS OF GRANT TERMINATION—ARKANSAS, FEB. 1, 1973

Name	County	Congressional district	Type of facility	FHA grant amount
Pt. I—Projects where letters of conditions have been issued:				
Ludwig Water Users Association.	Johnson	3	Domestic water	$80,700
Readland-Grandlake Water Corp.	Chicot	4	Domestic water	33,600
Town of Adona	Perry	3	Domestic water	56,000
Total				170,300
Pt. II—Projects above attrition line, notification given to prepare preliminary engineering report, no letter of conditions issued:				
Tri-County Water Users Association, Inc.	Arkansas	2	Domestic water	1,098,300
City of Washington	Hempstead	4	Domestic water	49,000
City of Dover	Pope	3	Both	150,000
City of Carthage	Dallas	4	Waste disposal	36,000
City of Dierks	Howard	4	Both	21,600
Sevier Co. Rural Development Authority (Chapel Hill).	Sevier	4	Domestic water	$70,000
Town of Colt	St. Francis	1	Both	70,000
Town of Subiaco	Logan	3	Waste disposal	50,000
City of Hardy	Sharp	1	Waste disposal	43,000
Town of Reed	Desha	4	Waste disposal	26,000
Town of Vilonia	Faulkner	2	Domestic water	126,000
City of Tillar	Drew	4	Waste disposal	47,400
Cleveland County Highway 15 Water Association, Inc.	Cleveland	4	Domestic water	300,000
Boston Mountain Water Users Association.	Crawford	3	Domestic water	82,500
Town of Fredonia (Biscoe)	Prairie	2	Waste disposal	50,000
City of Grady	Lincoln	4	Both	90,800
Poinsett County Water Users Association.	Poinsett	1	Domestic water	100,000
Southwest Mississippi County Water Association.	Mississippi	1	Domestic water	90,500
Free Hope Water Association	Columbia	4	Domestic water	47,000

Name	County	Congressional district	Type of facility	FHA grant amount
Half Moon Water Association	Mississippi	1	Domestic water	$30,000
Total				2,625 100
Pt. III. All other grant applications on hand at time of grant termination:				
City of Cotter	Baxter	3	Both	250,000
Madison County Water Association	Madison	3	Domestic water	200,000
City of Gassville	Baxter	3	Both	219,000
Lawson-Urbana Water Association.	Union	4	Domestic water	55,000
East Sebastian County Water Users Association.	Sebastian	3	Domestic water	90,000
Monroe Community Water Association.	Monroe	1	Domestic water	22,000
Town of Palestine	St. Francis	1	Both	133,500
Town of Strawberry	Lawrence	1	Domestic water	35,000
Witen Burg	Hempstead	4	Domestic water	20,000
City of Danville	Yell	3	Both	648,000
West Sheridan Water Corp	Grant	4	Domestic water	50,000
Town of Rosebud	White	2	Domestic water	62,939
Central Arkansas Water Users Association.	Pulaski	2	Domestic water	450,000
City of Blevins	Hempstead	4	Both	30,000
City of Moro	Lee	1	Waste disposal	40,000
City of Norfork	Baxter	3	Both	80,000
Center Grove Water Users Association, Inc.	Grant	4	Domestic water	87,000
City of Bradford	White	2	Domestic water	45,500
Enola-Mount Vernon Water Association.	Faulkner	2	Domestic water	168,640
Letona-Oak Grove Water Association.	White	2	Domestic water	159,300
Town of Belleville	Yell	3	Domestic water	100,000
Town of Havana	Yell	3	Domestic water	150,000
Southwest Water Users Association.	Saline	2	Domestic water	383,000
Town of Concord	Cleburne	2	Domestic water	188,000
Bradford Rural Water S. Association.	White	2	Domestic water	125,000
Gainsboro-Charlotte Water Association.	Independence	1	Domestic water	82,805
Halliday Water Users Association, Inc.	Greene	1	Domestic water	55,000
Town of O'Kean	Randolph	1	Waste disposal	50,000
Town of Black Oak	Craighead	1	Waste disposal	40,000
Town of Griffithville	White	2	Waste disposal	30,000
Town of St. Charles	Arkansas	2	Both	109,000
Thida Water Association	Independence.	1	Domestic water	78,000
Bethesda Water Users Association.	Independence.	1	Domestic water	50,700
Montongo Water Works Association.	Drew	4	Domestic water	120,000
Webb City Water Users Association.	Franklin	3	Domestic water	22,850
Town of Branch	Franklin	3	Domestic water	70,000
Wesson-Newell Water Association.	Union	4	Domestic water	$50,000
Town of Tumbling Shoals	Cleburne	2	Domestic water	121,900
Town of Bull Shoals	Marion	3	Waste disposal	172,500
Town of Higginson	White	2	Waste disposal	54,100
Town of Wabbaseka	Jefferson	4	Waste disposal	73,400
Town of Montrose	Ashley	4	Waste disposal	129,380
City of Bluff City	Nevada	4	Domestic water	45,750
Frenchmans Bayou Water Association.	Mississippi	1	Domestic water	25,000
City of McDougal	Clay	1	Waste disposal	64,000
City of Dell	Mississippi	1	Waste disposal	52,500
Town of Mount Pleasant	Izard	1	Both	115,000
Greene County Water Users Association Inc.	Greene	1	Domestic water	238,000
Mountain Springs Water Association.	Lonoke	2	Domestic water	91,630
Birdsong-Whitton Water Association.	Mississippi	1	Domestic water	95,000
Ferndale Water Users Association.	Pulaski	2	Domestic water	313,000
Richwoods Water Users Association.	Jackson	1	Domestic water	112,000
Town of Louann	Ouachita	4	Waste disposal	54,095
Town of Viola	Fulton	1	Waste disposal	40,000
City of Prairie Grove	Washington	3	Domestic water	100,000
Town of Datto	Clay	1	Domestic water	40,000
City of Pollard	Clay	1	Waste disposal	48,000
City of Horatio	Sevier	4	Domestic water	50,000
City of St. Francis	Clay	1	Waste disposal	96,000
Beulah Water Association	Drew	4	Domestic water	5,000
Town of Keo	Lonoke	2	Waste disposal	46,200
City of Gilmore	Crittenden	1	Waste disposal	30,000
Town of West Point	White	2	Waste disposal	56,800
Breckenridge-Union Water Users Association.	Jackson	1	Domestic water	219,000
Little River Water Distribution Association.	Mississippi	1	Domestic water	19,200
City of Winchester	Drew	4	Waste disposal	76,900
Town of Fouke	Miller	4	Waste disposal	134,260
City of Calion	Union	4	Waste disposal	135,000
City of Waldenburg	Poinsett	1	Both	45,500
Carson Lake Water User Association.	Mississippi	1	Domestic water	28,600
Town of Lead Hill	Boone	3	Waste disposal	20,000
Little Italy Water Association	Pulaski	3	Domestic water	45,000
City of Carlisle	Lonoke	2	Domestic water	250,000
Highway 319 Water Association	Lonoke	2	Domestic water	100,000
Lafe Water Users Association	Greene	1	Domestic water	100,000
Town of Maynard	Randolph	1	Both	200,000
Standard-Umpstead Water Association.	Ouachita	4	Domestic water	88,000
Total, Pt. III				8,281,949
Total, Pt. I				170,300
Total, Pt. II				2,625,000
Grand total				11,077,249

[From the Arkansas Democrat, Apr. 8, 1973]

NIXON PUBLICIZING BUDGET BATTLE

(By David S. Broder)

WASHINGTON.—Last Wednesday afternoon, the weekly meeting of the departmental information officer of the Nixon Administration was shifted from its regular location in the Executive Office Building to the Theodore Roosevelt Room of the White House.

The occasion was something of a celebration. Ken W. Clawson, the deputy director of communications for the executive branch and organizer of the session, passed out cufflinks with the presidential seal to everyone present.

Such momentos have been traditional at the White House for years, celebrating the end of wars, the resolution of missile crises or the passage of major pieces of legislation.

As far as anyone could remember, however, this was the first time that the agency publicity men, the top echelon of the army of government flacks, were so well rewarded for their part in sustaining a presidential veto.

"One down," said Clawson, referring to the previous day's Senate vote upholding Nixon's veto of the vocational rehabilitation bill. "One down and 14 to go."

Facing at least 15 possible veto showdowns with Congress, the White House mobilized all the resources of the executive branch for the 1973 battle of the budget. In this struggle, the mobilizing public opinion on the President's side of the debate is regarded as one of the most vital battlegrounds.

Nixon's men are organizing it with the same thoroughness—and many of the same techniques—they used in the last election campaign, in time, the "Selling of the Budget" may make as striking a chapter in the public relations textbooks as "The Selling of the President."

Clawson, a former reporter who is expected to succeed the departing Herbert G. Klein as the administration's information director, is the coordinator of the budget campaign.

As in the last campaign, Nixon himself is being used sparingly for crucial roles in the publicity drive. The President provides the basic themes and the overall message, and delivers—in occasional radio and television talks to the public and in messages to Congress—the key statements in the budget battle.

But the day-to-day work of keeping the message before the public is being done by Cabinet officers and agency heads, just as those men or their predecessors were "surrogate candidates" for the President last fall.

Clawson, who coordinated the "surrogates" in the 1972 campaign, is marshaling them with similar efficiency and an eye for detail in this new campaign.

In an interview last week, he insisted that each Cabinet member is setting his own speech schedule and picking his own topics, with the White House merely offering background material on budget issues and providing suggestions on ways to reach as wide an audience as possible in the city he chooses to visit.

But participants in Clawson's weekly meetings depict the White House role as central in the whole publicity drive.

Weeks ago, they say, Clawson announced to the agency information chiefs that the President wanted his hold-the-line budget drive given top priority in every possible forum. Applying this doctrine, Clawson ordered a quota of one "economy" speech per week for every presidential appointee in the department or agency.

Last week the quota was tripled, with the flacks told they would be responsible for producing three appearances a week by each political appointee.

Target areas were identified—mainly small to medium-sized cities with conservative Democratic or liberal Republican congressmen. Agency public relations men were told to coordinate their principals' speaking plans with John Guthrie, an aide to presidential assistant H. R. "Bob" Haldeman, in order to avoid overlapping appearances and to assure maximum coverage.

In recent weeks, Clawson has added other assignments to the expanding drive:

—Each department or agency was told to deliver two signed editorial page-style commentaries on the budget battle written by its officials. Clawson is attempting to place these in newspapers.

—Each agency publicity man was directed to produce several ideas on budget stories for trade and business publications.

—Each department with a radio facility was told to produce recorded budget messages for radio stations to tape for their own use.

—A list of radio talks shows across the country was distributed and the publicity

men were urged to line up interviews for their bosses—via long distance.

The White House is also playing a leading role in shaping the contents of the message. In addition to distributing the President's own economy statements and legislative veto messages to a list of some 1,500 editors, editorial writers and broadcasting executives, Clawson's office prepared a bulky "battle of the budget" kit as a guide to agency speechwriters.

RESOLUTON

Whereas, Section 206(f)(1) of PL 92-500 and subpart 35.903 (d) of rules and regulations relative to grants for construction of treatment works prohibit post-construction Federal grant fund assistance to municipalities which because of present unavailability of Federal grant funds desire to proceed with the construction of needed sewage treatment and collection systems with temporary financing; and

Whereas, many municipalities in Arkansas are willing to initiate construction of these facilities with temporary financing, provided that they can be reimbursed by appropriate grants when Federal funds become available and

Whereas, the Arkansas Commission on Pollution Control and Ecology recognizes that a substantial need for sewerage facilities does exist among the cities and towns of the State but that construction of these facilities cannot be undertaken without placing a severe long term financial burden on the citizens, due to the aforementioned prohibitions,

Now, therefore be it resolved that the Commission on Pollution Control and Ecology does hereby petition all members of the Arkansas Congressional Delegation and the United States Environmental Protection Agency to take any and all steps necessary to provide for the rescission of these prohibitions in order that the municipalities of Arkansas may, without financial penalty, continue to provide the sewerage facilities necessary to protect and enhance the health and safety of their citizens. It is further resolved that a copy of this resolution be provided to the Arkansas Congressional Delegation, and appropriate representatives of the Environmental Protection Agency.

Resolved this 28th day of March, 1973 at Little Rock, Arkansas.

FOOD PRICE HEARINGS

Mr. HUMPHREY. Mr. President, in my view, the unprecedented housewives' meat boycott of last week, and the various effects of that action, have been a useful lesson in economics for the people of this country, whether they be farmers, processors, packers, wholesalers, retailers, or consumers.

We have seen consumers—in an action and on a scale almost unknown in our history—stay away from meat in a protest over high prices. In some areas retail sales were reportedly off up to 80 percent.

In response to the consumers' action, we saw cattle and hog raisers keep their livestock from the market. Farm wives accelerated meat buying in a counter-protest of their own. Meatpackers and processers, in the crunch, were thrown out of work. Wholesale and meat prices bounced around in uncertainty as the effects of those actions ricocheted in the marketplace.

On Wednesday of that memorable week, Mr. President, I conducted food price hearings before the Subcommittee on Consumer Economics of the Joint Economic Committee. At that time, I released a Joint Economic Committee staff study that identifies the causes of the "1972-73 food price spiral." To a considerable degree, as the study documents, the food price problem is the result of mismanagement by this administration and the Department of Agriculture. At the hearing, we sought the views of consumer activists and agricultural economists.

On the consumer side, we were pleased to hear from June Donavan, the California mother who took time from a busy professional career to help found "fight inflation together"—FIT—from Carolyn Sugiuchi, a Cleveland housewife and mother who has organized consumers in her community to monitor food prices, and from Mark Silbergeld, a young attorney from Consumers Union.

Mr. President, these witnesses confirmed passionately, eloquently, and intelligently what the country learned during the week of the boycott; namely, that consumers are angered mightily over the rise in food and other consumer prices. They are unhappy and frustrated over a Presidential phase III which seems to permit prices and profits to rise astronomically, but which seeks to restrict wage increases.

All of us, perhaps, can remember the times when scarcity of food items produced not only high prices but long lines of customers at retail food stores. The food price crisis we face is of a markedly different kind. Scarcity and rising prices we have, but instead of lines of customers we see lines of demonstrators, successfully exhorting their fellow shoppers to abstain from buying meat.

These events are serious, Mr. President, as our consumer witnesses testified. Retail prices on all goods in February rose 0.8 percent, which is a shocking annual rate of 9.6 percent. Expert witnesses before our subcommittee testified to the real possibility of a 10-percent rise for the year. And, as if to underscore that sad forecast, the day following our hearing the Wholesale Price Index for March revealed that prices soared 2.2 percent, an increase which will certainly be reflected in higher retail prices.

Three other witnesses at our food price hearing provided very useful analysis of the problem we face. Their testimony reviewed the complexity of the food production and price cycles in a way that contributes to public understanding of this vexing problem. I am referring to the testimony of George Brandow, professor of agricultural economics at Pennsylvania State University, William Helming, general manager of the Livestock Business Advisory Service, and John Schnittker, an economic consultant formerly with the U.S. Department of Agriculture.

I have been critical of the Nixon administration in the food-price area because it has appeared to me that this administration has, until too late, been content to let the farmer bear the blame and the consumer bear the burden of rising prices.

In his testimony, Professor Brandow told the subcommittee that there is an important potential role of stabilization in the Federal farm program. Properly administered, the farm program, according to Professor Brandow, can ameliorate upward retail price surges while preventing undue drops in prices for the farmer. This is the kind of program we need, of course. But Professor Brandow cites instances in which this administration neglected that stabilization function, such as by deferring too long a decision to release croplands withheld from use under the set-aside program. He also referred to the fact that the administration's decision to suspend meat import quotas is unlikely to have any major effect in raising supplies in the United States, since consumer demand for meat is high worldwide and because the dollar devaluation reduces our ability to compete for food abroad.

Dr. Schnittker likewise noted poor agricultural policy management by the administration. As he pointed out, even after the Soviet Union had begun massive purchases of our grain in July 1972 the Department of Agriculture announced a restrictive wheat acreage program for 1973, thereby assuring the shortages which drive up not just feed prices, but ultimately the price of retail meat.

Naturally, there are other natural and essentially unavoidable causes of feed and meat price rises. Humans cannot fend off bad weather. Nor can they shorten the time required for growing crops or building herds. But this is all the more reason that we must expect alert and competent leadership from farm policymakers in the executive branch in those areas where humans can make a difference.

In his testimony, Mr. William Helming, general manager and chief economist of the Livestock Business Advisory Services summarized the principle reasons for the rise in food prices. These included, he noted, the U.S.S.R. decision to upgrade its diet, the Soviet Union's unexpectedly large wheat purchases, U.S. harvesting delays, and a variety of our own logistical problems, including transportation snags created by a run on the U.S. market and a deteriorated rail system. These factors raised the price of grain.

A protein price increase was partially due to the poor Peruvian fish catch, used extensively in fish-meal feed, in addition to a worldwide shortage of other protein.

Our own domestic protein and milk price rises, Mr. Helming testified, could be traced to increased consumer demand; greater purchasing power of other countries; a decrease in supply due to weather and inventory building; the rising feed prices; the sharply rising costs of finished production; and consumer boycotts themselves, all contributing to the upward retail price spiral.

For the longer term, Mr. Helming outlined four compelling policy requirements:

First, the prevention of a U.S. food shortage;

Second, the equalization of living standards in rural and urban America;

Third, the strengthening of U.S. ability to be the most efficient producer of food; and

Fourth, the improvement of the U.S. balance of trade and value of its dollar.

In conclusion, Mr. Helming offered the following recommendations: steps to assure an adequate profit incentive and free market system for the farmer; increased consumer spending upon food to encourage farm production and lower prices; extension of the 1970 Farm Act for another year; and more efficient means of communicating and using market information regarding supply and demand.

Mr. Silvergeld of Consumers Union provided a very useful chronicle of the non-agricultural causes of rising food prices: the fuel shortage, the sorry state of our rail transportation system, the shortsightedness of our import policies, the nonenforcement of certain Federal laws, some rising and perhaps unnecessary costs associated with packaging, advertising and promotional gimmickry. In all of these areas, Mr. President, there is ample statutory authority for the administration to act forcefully on the consumers' behalf while assuring equity to the farmer. Unfortunately, as events have shown, the administration has failed to provide the energy or leadership required to meet the inflation which is upon us, not only in food but in all consumer areas.

Mr. President, only a genuine crisis can account for the spontaneity and vehemence of the housewives' protest against rising prices last week.

This crisis has been long in coming, and the administration has consistently failed to recognize its importance or its dimension. Even now, unfortunately, the administration is only tinkering with the problem.

The view of the incisive testimony from Professor Brandow, and Mr. Helming, Dr. Schnittker, and Mr. Silbergeld, I ask unanimous consent that their prepared statements be included in full at this point in my remarks.

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

INFLATION AND FOOD

(By G. E. Brandow)

Inflation of food prices during the past 18 months has been attributable mainly to expanding demand, fueled by rapidly rising incomes, and to failure to increase food supplies rapidly enough to keep up with demand. From 1965 to 1971, per capita food consumption rose about 1 percent per year, which was enough to keep food prices from rising more rapidly than the Consumer Price Index. Both foods as a whole and meat were consumed in record quantities in 1971. Per capita supplies of total food and of meat turned down slightly in 1972, however, and food prices became the problem child in the effort to control inflation. In the current year, 1973, food consumption per capita is expected to hit another all-time high, and meat consumption per capita will be the second highest on record. But consumers have about 9 percent more money to spend and a strong disposition to buy meat with it, with the result that food prices are up sharply again this year.

The reduced supplies of food that began to appear in the summer of 1972 were mostly fortuitous. Adverse weather hurt fruit and vegetable production. Hog producers, who had cut back breeding in response to low prices in 1970 and 1971, had fewer animals to send to market. Egg production entered a similar period of low production as the result of depressed prices in the past two years. Unfavorable harvest weather somewhat reduced production of corn and soybeans.

Export demand has added to strong domestic demand. The most spectacular instance, of course, was the huge wheat purchase by Russia in the summer of 1972. But a fact of more enduring significance is that Europe and Japan are reaching the levels of affluence at which demand for meat and poultry become strong. Their consumers, and apparently Russia's, too, want livestock products, which in turn require feedstuffs that cannot be wholly supplied locally. Thus American exports of feed grains and soybeans have been rising, and they have risen especially strongly in the past year. Furthermore, the meat supply lags behind demand also in other countries, with the result that suspending U.S. import quotas on beef has had little effect on U.S. prices. The devaluation of the dollar, of course, has increased the ability of foreign countries to buy in American markets and has reduced our ability to buy abroad.

A factor of minor significance in the recent surge of food prices but likely to resume its customary importance is the cost of processing and distributing food. This cost ordinarily accounts for about 60 percent of prices paid by consumers in food stores. USDA's "market basket" statistics show only 2.4 percent increase in the farm-retail price spread between June 1972 and February 1973. To some extent, this is a statistical illusion, for customary lags of retail price movements behind farm prices narrow the computed price spread when prices are rising. But it appears to be generally true that margins taken by processors and distributors have not increased much. The rising costs that are permeating the whole economy are affecting food processing and distribution, however, and a widening spread between farm retail prices can be expected in the future.

Though reasons for rising food prices in the past 18 months are fairly clear, the extent of the increase since mid-1972 is less easily explained and was anticipated by very few analysts. An inflation temperament seems to have taken hold. The tight supply situation in wheat created by the Russian purchase generated expectations that exports might indefinitely outrace capacity to produce. Similar expectations seem to have rubbed off on feed grains even though current supplies were ample. The soybean situation was genuinely tight and added to expectations of higher prices for farm products in general. Even markets for such perishable products as beef and pork seem to have been affected. Consumers accepted inflation, not in the sense that they were happy about it but in the sense that in their private purchasing decisions they were little deterred by soaring prices. In such a market, retailers and packers could pay almost anything for the meat and livestock they bought and get their money back when they sold. The precision that economists like to attribute to price in equilibrating markets was shrouded by an inflation psychology.

The giant farm program administered by the USDA inescapably gives it great influence over supplies and prics of farm products. As 1972 began, farm prices probably were higher than they would have been if no farm program had been in existence. But the country was in much better position to increase market supplies of food than it otherwise would have been. Stored stocks of feed grains and wheat were considerably lower than the private trade would have carried. Large acreages of productive cropland were in operating farms but were withheld from use by the set-aside program. Prices of wheat and feed grains were near support levels and were little different from prices in 1965, seven years earlier.

In the absence of the farm program, food prices would have risen more than they did in 1972–73, and, more important, there would be little prospect of prompt increases in supplies of feedstuffs with which to curb rising meat and poultry prices later on. The experience dramatically illustrates the potential role of the farm program in *stabilization*, in ameliorating upward surges of prices for consumers as well as preventing excessive declines of prices for farmers.

I think the principal criticism of the administration of the farm program since early 1972 is the failure to recognize and implement the stabilization function. One can understand why USDA, for many years plagued by costly and embarassing surpluses, was willing to commit almost any amount of wheat the Russians might want. Refusal to sell would not have prevented a rise in the price of wheat, for Russia would have had to buy somewhere and thus raise the world price. But when the effects of the sale began to be apparent, and when other food prices began to rise rapidly for other reasons, the Secretary of Agriculture was explicit in saying that he wanted higher farm prices and in rejecting the idea of stabilization.

If USDA had been quick to change its thinking, it might have modified the set-aside program for wheat seeded in the fall of 1972 to increase acreage. To have done something so unpopular with farmers in an election year would have required a disregard for politics most unusual in Washington. Probably USDA could have somewhat abated the speculative upward pressure on grain prices in the fall of 1972 if the Department had announced a firm policy of operating the farm program in 1973 and later to stabilize grain prices as soon as possible at the levels of early 1972. The actions, finally completed in late March 1973, to release set-aside acerage have been substantial, but the delay probably tended to hold up feed prices during a crucial period for livestock and poultry producers.

The retail food price index should slow down its rise and perhaps level off temporarily in the fall of 1973. An increase in hog marketings in response to high prices will reduce pork prices. If weather is not unfavorable, several fruits and vegetables will be more abundant than last year. Modest increases in production of beef and poultry should hold their prices in check. On the assumption that acreage expansion will materially increase supplies of feed grains and soybeans late in 1972, we may expect rising supplies and somewhat lower prices of pork, poultry, and eggs in 1974. Even retail beef prices may weaken in 1974 or 1975 as the current build-up of herds leads to a faster increase in beef slaughter than has occurred in recent years.

Other factors will tend to offset such price-decreasing tendencies, however. Prices of such items as dairy products, fats and oils, beverages, and restaurant meals probably will gradually rise. Increasing costs of processing and distributing foods will particularly affect prices of highly prepared foods. Imported foods and fish probably will advance in price. Thus, a significant decline in the retail food price index after 1973 seems unlikely. Rather, food prices may rise roughly in line with the Consumer Price Index as a whole.

Prospects for keeping food prices from outracing other consumer prices after 1973 depend crucially upon the size of feed grain and soybean crops this year. If the weather is favorable, crops should be large enough to bring prices of feedstuffs well below their winter peaks and to encourage livestock and poultry producers to expand production. But the situation is vulnerable to the weather: poor feed grain and soybean crops could cause a repetition of the 1972–73 experience.

One recommendation for curbing inflation of food prices is obvious—operate the farm program so as to bring land back into use and to produce enough feed grains and wheat to hold their prices near the levels of early 1972. Full production of wheat cannot be achieved until 1974. Unless exports grow faster than seems likely, it seems possible to produce adequate supplies of feed grains and wheat in the next few years. Soybean production also can be abundant, though prices will be higher than they were prior to 1972. Pork, poultry, and egg prices can then be kept within reasonable bounds, and even cattle prices may be moderated by rising output. This does not mean that retail prices will be stabilized—both farm costs other than feedstuffs and costs of processing and distributing food will rise with inflation in the general economy and will increase retail prices.

A second recommendation is also familiar: suspend or eliminate import quotas on foods deemed excessively high priced in the United States. The practical effect of this is likely to be minor. Cheese perhaps offers the best possibility at present.

Since I think we face a long-term inflation problem, I doubt that much can be accomplished to control food prices by such devices as ceilings, boycotts, or other short-term expedients. Ceilings that are merely nominal may be of some temporary use in political bargaining with labor and industrial groups capable of increasing wages and prices by the exercise of private economic power. Price ceilings that materially reduce prices will eventually require rationing, and the program could soon replace high prices as the focus of dissatisfaction. We should not tie the economy in knots trying to solve long-term problems with emergency measures.

The current meat boycott has obviously affected prices for a brief period. Just possibly it will stimulate some consumers to turn away from expensive cuts of meat in the future, but only if that happens will the boycott have any lasting effect. Though the heat is now on food prices, the more enduring danger is that inflationary forces serving to increase the Consumer Price Index by 40 percent in the past decade will be at least as strong in the future. Containing those forces requires, of course, much broader policies than those affecting the food sector alone.

WHY FARM AND FOOD PRICES HAVE INCREASED DURING 1972–73 AND PRICE OUTLOOK FOR FARM COMMODITIES AND FOOD DURING THE BALANCE OF 1973

(By William C. Helming)

I. INTRODUCTION

Mr. Chairman, I appreciate having the opportunity and pleasure of being asked to appear and testify before this committee today to outline the major causes of rising farm and food prices during 1972, what we believe the farm and retail food price outlook will be during the balance of 1973, plus making any recommendations which we believe are appropriate. My name is William C. Helming and I am General Manager and Chief Economist for Livestock Business Advisory Services in Kansas City, a Division of the American Hereford Association. Setting aside the question of policy recommendations for the moment, my staff and myself do this type of analysis and price projections constantly. In an effort to lend order to my presentation, I wish to first speak briefly about the factors that caused grain prices to increase and then about beef, poultry and milk price, which depend in part on feed grain and protein supplement prices. Then on to our price projections and policy recommendations.

II. WHY FARM AND FOOD PRICES HAVE INCREASED DURING 1972–73

A. Grain

The factors that influence markets are always broadly characterized as affecting supply or demand. The operations of the market place that concerns grain is so complex that no computer model has ever successfully duplicated its action, let alone correctly anticipated the events that influence markets and which are there for everyone to see. It is the interpretation of these events by various interests in the market place that influence prices. These factors are also political, economical and climatological. The best way to set the stage is to go back to the period just before the beginning of this fiscal year. The U.S. was raising a huge wheat crop. In fact in mid-July, U.S.D.A. announced a new wheat program with the goal of reducing acreage by 5 million acres and production by 150 million bushels. That announcement was the result of many months study prior to its release. I mention it here not to say that the U.S.D.A. had embarked on a wrong course, but rather to point out the attitude that was then prevalent in the market place. There was no thought of wheat surpluses becoming deficits at that time. The same was true of feed grains. Proteins were known to be in short supply during mid-1972.

1. Soybean Complex

The protein situation first. As indicated above, events need interpretation. My colleague (who has provided the background and forecasts in this grain sector) pointed out in his Daily Grain Letter of March 16th, 1972, let me repeat that year 1972, that the flooding that was then taking place in Peru had sometimes forced the Humboldt current away from the shore. At that time he said, "There are not yet any reports of disaster to the fishing industry, but we are suggesting that this situation should be watched closely as a sharply reduced fish catch would alter world protein supplies in a way that has not yet been seen or calculated." That event, as you know by now, was the major factor in the upward movement in protein prices which did not take place until fall.

Such other factors as Russian purchases and the late harvest were small in comparison to the protein that was lost to the world as the Peruvians curtailed their fishing and then stopped entirely. There are vast details of world oilseed meal supply and demand balances, but to sum these up is to say the world was already known to be protein short, and the Peruvian situation made it worse.

2. Feed Grains and Wheat

In regard to wheat and feed grains, the all pervasive influence was Russia's political decision to improve the diets of her citizens. In October, 1971, Russia made purchases of feed grains from this country. From that time on, officials of both countries made no secret of that country's willingness to buy feed grains and proteins. Russia's five year plan projected a 27% increase in the production of meat and eggs between 1971 and 1975. For the same period, she projected an increase of feed grain production of only 10–13% with the presumption that the balance would be imported from other countries. This plan of Russia's was known by March, 1972. There is a question of when the Russian authorities recognized that their wheat crop would not be within 30% of their earlier projections. Whether any one in authority should have anticipated the Russian need for wheat is unimportant here. We are looking at factors that made prices rise and the lack of knowledge by U.S. officials and/or private enterprises did not change the fact itself. It only introduced the element of surprise.

There were specific elements that magnified the Russian demand. For example, Canada had book—or even overbooked—her own facilities. (This is not strictly the result of the internal railroad transportation system of Canada or even the ability of the elevators to load ocean vessels.) The major bottleneck was the cleaning facilities at the elevators. The crops of Australia declined sharply. That left only Argentina and South Africa among the major exporting nations. Their physical facilities were also inadequate.

There were minor factors. For example, the late harvest of wheat in this country. There was the rumor that China would enter the market (she subsequently did but not on a scale that compared with the Russian purchases.) Another was that the regular major importers of U.S. wheat and feed grains became frightened. Once the size of the Russian purchases became a subject of conversation, Japan, Korea, Taiwan all had to protect themselves, as did India, Pakistan and Bangladesh. These countries could not run the risk of undertaking Russian purchases because there was not an adequate alternative source of supply.

One other factor operated in all markets and that was the makings of another currency crisis. The increasing deficits in the U.S. National budget, trade balance, and balance of payments that lead to the wage and price ceilings of August, 1971, limited convertibility of the dollar to gold and the 10% surcharge on selected imports were still prevalent. Every effort was made by the Administration to increase exports, particularly dollar-earning agriculture exports.

There were two other factors. The first is that the ever increasing export sales of all grains to all destinations created a massive traffic jam. Figures were produced last August pointing out that the volume of exports were more than the ports could handle and what would occur. This traffic jam created really two sets of prices. The FOB vessel price, which included a substantial premium for the use of the elevator space itself. The tie up on the railroads actually tended to depress prices in the interior of the United States. This last fact became more apparent as the fall harvest was delayed by weather. As you know, now some fields were not harvested until calendar 1973, and some not at all due to poor weather conditions. There was wet grain that could not be stored and could not be dried. The transportation problem is a factor that is still with us, and will continue to be with us for several more years.

The second factor was the U.S.D.A.'s handling of the subsidy. I return to my beginning statement of the attitude of this country that wheat was in surplus supply, and, in fact, a new program was introduced to reduce acres and production. The wheat exports for the year ending June 30, 1972, totaled 581 million bushels, compared to 677 million bushels the previous year. It was hoped that the Russian purchases might return the exports to the year ago level. The CCC continued to sell wheat at the formula price, because that not only helps stabilize markets, but permitted the CCC (and the Administration) to reduce wheat storage and ancillary costs. The policy of the U.S.D.A. was to maintain world wheat prices at the level that was then about $66.00 per metric ton, cost and freight, Antwerp/Rotterdam. As domestic wheat prices went up, the policy of maintaining world prices at unchanged levels caused the subsidy to go up. It is only reasonable to assume that exporters relied on the evidence derived from CCC subsidy and sales policy that the U.S.D.A. did not want an increase in world wheat prices. It is inconceivable that exporters would take risks on that scale unless they were convinced that the subsidy policy would not change. Thus reassured, additional sales were made when the Russian buying team returned to the U. S. from Canada. If the subsidy was going to move upward with domestic prices, then exporters could refrain from booking subsidy at the time sales were made. By the same token, once it became evident that the Administration policy had changed, then exporters would book all the subsidy they could handle in advance of their sales to overseas buyers. The assurance provided the courage to trade large volumes: uncertainty about regulations, laws, or their interpretation inhibits trade.

Again, it was the sheer volume of trade as it became publicized that helped to cause markets to rise.

Summing up, while maybe there are other and lesser factors that operated in our market places the above are certainly the significant reasons for the upward price move in protein, food, and feed grains from July 1, 1972 onwards.

B. Meat supplies

Beef, pork and mutton production in the first quarter of 1973 was down 2% compared to the first quarter and down 11% compared to the fourth quarter of 1972. The major factors affecting the supply of livestock, poultry and meat since early 1972 are as follows:

1. Build up in Cattle and Hog Inventory

Farmers and ranchers are now building inventories of both cattle and hogs. Since the first part of 1970, cattlemen have been holding back more cows and replacement heifers to increase their cow herds. At the same time, total cattle slaughter and beef production has been reduced. This is a normal relationship and during 1972–1973, this trend has been accelerated.

Since mid 1972, hog producers have been holding back sows and gelts to build their inventories. At the same time, hog slaughter and pork production has been reduced and this trend has also been accelerated since the first part of 1973.

It normally takes a minimum of 5 years for cattle and 2 years for hogs for the inventory building cycle to result in substantially larger slaughter and meat production and therefore, subsequent lower prices at the farm and retail level. Significant increases in beef production will not show up until 1975–1976 and major increases in pork production will not take place until late 1973, 1974 and the first part of 1975.

2. Poultry Production Is Not Profitable

Until the last part of 1972, poultry supplies exceeded demand, causing prices to drop and financial losses to be incurred by the producer and processor. This has caused the production of broilers and chickens to be cut back significantly. The sharp rise in feed grain and protein supplement prices since last fall has also caused broiler and chicken production to be restricted.

3. Poor Weather

Cold, snow and rain throughout most of the agricultural producing areas of the country since last October has (1) caused cattle and hogs to gain poorly, resulting in delayed marketings, and (2) has caused much higher than normal death losses. The poor weather also contributed to the feeding of large quantities of wet or deteriorated corn, causing further delays in cattle and hog marketings. In addition, the poor weather has caused the cost of feeding cattle and hogs to increase sharply and this situation is as bad now as anytime in the past six months.

4. Restricted Use of Growth Stimulants

The government imposed restrictions on the use of DES for feeding cattle has resulted in cattle requiring more feed per pound of gain and more time to reach slaughter weight and grade. This has caused substantial delays in cattle being marketed and has of course significantly increased the cost of gain.

5. Consumer Boycotts and Ceiling on Meat Prices

Contrary to popular belief, this, in this instance, caused prices to rise. The emotionalism associated with consumer boycotts and the recently announced ceiling on meat prices, coupled with considerable adverse publicity and poor market psychology regarding increasing farm and food prices, has resulted in widely fluctuating livestock prices the past several weeks and has caused many farmers to temporarily restrict the supply of livestock going to slaughter. This is a natural reaction, particularly since the farmer is now faced with the real prospect of selling his livestock below the cost of production.

C. Demand for meat

The demand for beef, pork and poultry has increased sharply. The primary factors affecting the demand for livestock, poultry, and meat since early 1972 are as follows:

1. Higher Incomes

Personal incomes in the U.S. have increased sharply in recent years and this trend is continuing in 1973. People simply have more money to spend for food, particularly meat. Since 1960, personal incomes in this country increased 104%, while meat prices since 1960 have increased only 67%. In 1960, the average American homemaker spent 21% of the families take home income on food, whereas today the average family spends 16% on food. The American people have by far the cheapest food in the world today.

2. More People Are Employed

The total number of people employed in the U.S. today is a record 89 million. This also means more women working, larger family incomes, a greater demand for convenience foods that require a minimum amount of time for preparation, plus improved food quality. This all costs more money, particularly after the food leaves the farm.

3. People Like Red Meat and Poultry

Red meat and poultry are an increasingly more popular in the American diet. Per capita meat and poultry consumption is continually increasing and now is 198 pounds per person, which is 29% over what it was in 1960.

4. Devaluation of the Dollar and Increased Exports

The devaluation of the dollar by 25–30% in relation to gold and other currencies and the subsequent buying of meat and other commodities by other countries since August of 1971 has been a major factor in increasing the exports of important meat and feedstuffs. For example, even though the absolute quantities are relatively small now, meat exports from the U.S. to other countries during January and February of 1973, principally to Japan and Canada, were up 301% over year ago levels.

Hide and offal values for cattle have increased substantially since early 1972. The hide and offal value during the first quarter of 1973 was $4.45 compared to $2.70 the first quarter of 1972. This is due primarily to a strong export demand for cattle hides. In addition, Argentina, Brazil, India, Pakistan, South Africa and Australia have all placed an embargo on their respective hide exports since mid 1971, which has further restricted the world supply and therefore the demand for U.S. hides.

The demand for red meat, poultry, feed grains, food grains and protein throughout the world is increasing rapidly. Some of this demand is caused by short supplies resulting from such things as crop failures and a poor fish catch, but much of the increased demand represents a real change in and shift of the demand curve to the right. Many governments have placed a high priority on improving the diets of their citizens. The implications of this increased demand are most important.

5. Government Social Reform Program

The demand for red meat and poultry has accelerated during 1971–1973, in part because of various government social reform programs resulting in a redistribution of income, allowing traditionally lower income groups to have more money to spend for meat. For example, spending over $2 billion during 1972 in the food stamp program, plus two major jumps in social security payments during the past 18 months, have greatly stimulated the demand for food.

D. Cost of production

The cost of producing and finishing beef, dairy cattle, hogs and poultry since July of 1972 have increased 30–40%. This is partly due to sharply higher prices paid for feed grains, protein supplements and hay. In addition, the inflation spiral of continually rising prices also affects the farmer and rancher regarding everything he keeps. Some of these sharply increased costs are now showing up in the retail price of food.

The costs of processing, packaging and distributing food from the farm level to the retail level have increased substantially over the past two years and are contributing greatly to the increase in food prices. Sharply higher labor costs at the wholesale, processing and retail level is a major factor contributing to higher food prices.

E. Milk prices are higher

Prices for all dairy products are presently 3% higher than a year ago levels. Milk supplies are down about 1% since November of 1972. The factors causing milk supplies to be down and prices up are as follows:

1. Cost of Production

The cost of producing milk has increased 25–30% in the past six months, largely due to increased feed grain, protein and hay prices. This has caused liquidation of milk cows by dairy farmers, who have in turn taken advantage of improved slaughter cow prices since the first of the year. Poor weather has been a factor. The Cost of Production has been higher than the prices received for milk.

2. Demand

The per capita consumption of milk in 1972 was up and this was the first increase since 1955. We expect the improved demand for milk and milk products to improve during 1973.

III. PRICE OUTLOOKS FOR GRAIN IN 1973

It must be obvious that forecasts of grain prices at this time are singularly dependent upon the weather. I must be emphatic in stating that the *primary* weather concern is that which will influence American farmers in the use to which they put their acreage. The probability is that the weather will delay the planting of corn beyond the optimum date for the major corn growing states.

Secondary weather considerations are that which governs the growth and rate of maturity of what ever grain is planted on whatever number of acres.

Prices will move in response to these same weather factors that govern planting and growth throughout the Northern Hemisphere during this time of year. We have no reasonable way to proceed except to assume normality in Western Europe, Eastern Europe, Canada and China. Even with that assumption, it is important to state that there are indications that all of these areas have given indications that their difficulties are no less than our own.

Another assumption is that there will be no further changes in program regulations. I realize that the Administration has requested the Congress to extend the Agricultural Act of 1970 for one more year. Furthermore that in the absence of new legislation, the Secretary of Agriculture is required to make a decision on the 1974 wheat crop by April 15th. The wheat harvest in the southern part of the United States will begin in late May. Wheat farmers in those areas need to make their 1974 plans so there is an element of urgency. Extending legislation may not incorporate perfection, but it incurs less evil than any enlarged attempt to interfere with the ordinary operation of supply and demand factors.

A. Wheat prices

For the last half of 1973 the farm prices of wheat in the major wheat producing areas of the United States is going to emphasize

the transportation tie up that has plagued us for so long. At the height of the harvest, farm wheat prices will average in the $1.65–$1.85 per bushel range. This will be the excess of wheat for which farmers cannot find a convenient home. They will recall that in the harvest time of 1972, they sold their wheat when, subsequently, hindsight proved they should have held on to it. They will remember that and sell only the surplus. I have every confidence that wheat prices will move sharply upwards after the flush of the harvest.

How much upwards certainly depends to a large extent on the crops of the other countries in the Northern Hemisphere. We are of the strong opinion that farm wheat prices a year from now will not be less than they are today. By the same token, these price levels will most certainly stimulate an increase of wheat acreage throughout the world. Nature will one harvest season be as bountiful to Russia and Western Europe as it has been to Canada and United States. Southern Hemisphere countries will be equally blessed and then farm prices of wheat will move downward to test the current support levels of the United States.

B. Corn prices

Corn prices will move somewhat in concert with wheat. Considering our forecast of wet weather through April and May, we have to consider that harvest time corn prices would not be lower than a year ago levels and depending on the weather could be equal to current levels. It seems obvious that year ago levels will reaffirm the interest that Russia has expressed in our feed grains, particularly, for corn. It was in the heart of the harvest season in 1972 that the President announced the sale of corn to China and so that country will also be a factor. It will be difficult for corn to move sharply upwards, while wheat is at depressed levels. Once that excess wheat has been put under cover, corn prices will move up also. They will range in the summer of 1974 to near the $1.75 per bushel level. It is true that there is research under way to increase the yield of corn. If Russia, Brazil, the Argentine and South Africa all attain breakthroughs on yields at the same time, our forecasts for higher prices in late 1974 may be modified. Price levels for corn during the summer of 1973 have to reflect what happens to the new corn. It will test the highs that prevailed in early part of 1973.

C. Protein

Protein prices as measured by farm prices of soybeans has a lot of correcting to do. The weather is forecasting a sharply higher soybean crop and we envision that farm prices this fall will be close to the $3.00–$3.30 per bushel level. This assumes a resumption of fishing in Peru, and normal oilseed crops in Canada, Eastern Europe, and next year's Southern Hemisphere crops. Farmers are now looking at sales of new crop beans close to $4.00 per bushel, so the above levels of $3.00–$3.30 will not be readily accepted. For that reason, and the willingness to postpone sales into the next tax year, these lower prices may not occur until the first quarter of 1974.

G. Price outlook for livestock, poultry, milk and food in 1973

We expect food prices during 1973 to average 6–9% above the average price of food at the retail level for 1972. Farm prices during 1973 will be more than 10% over the 1972 levels. Following below are our more specific price projections and reasons for increased farm and food prices during 1973 for the major items of (1) Beef and Pork, (2) Poultry, and (3) Dairy products.

1. Beef and pork outlook: Beef—Choice slaughter steers, Amarillo basis averaged $45.30 per CWT in March 1973, and will range between $43.00–$47.00 during the months of April through December, 1973, if the ceiling on meat prices recently announced remains in effect. The ceiling price for choice steers is about $46.00–$47.00 per CWT.

Retail beef prices averaged $1.30 per pound in February, 1973, or 14% above the 1972 average. Retail choice beef prices for March, 1973, will be above the February price levels. Retail beef prices, April through December, 1973, will range between $1.10 and $1.45 per pound.

2. Pork—No. 1 and 2 Slaughter hog prices, Peoria basis, averaged $38.69 per CWT in March, 1973, and will range between $35.00–$40.00 April through August and $32.00–$36.00 September through December. This assumes the recently announced ceiling on meat prices will remain in effect. The ceiling price for slaughter hogs is about $40.00–$41.00 per CWT.

Retail pork prices averaged 97¢ per pound in February, 1973, or 17% over the 1972 average. Retail pork prices, March through December, 1973 will range between 85¢ and $1.20 per pound.

Reasons: In addition to the causes outlined in Part II—A, B, C and D, we expect larger than normal numbers of feeder cattle to be diverted to grass during the March–June period of this year. Many feedlot operators are going to make an effort to "cheapen back" the feeder cattle they are now purchasing. In addition to the continued relatively high cost of grains being a major factor, grass conditions and/or prospects throughout the U.S. for this spring and summer appear to be excellent.

The diversion to grass will cause feedlot placements to be lower than normal during the spring and summer months, and it will in turn cause fed cattle marketings in the last half of 1973 to be lighter than normal for most of the Midwest and Panhandle areas. Feedlot placements during the February-May period stand an excellent chance of being below year ago levels. Cattle numbers coming off of wheat this spring will be sharply lower than a year ago. Movement off grass of much larger than average placements on the West Coast and Arizona Desert areas during the winter and spring months will offset somewhat the reduced spring and summer Midwest placements, as far as total on feed numbers is concerned. Early fall marketings in the western feeding areas will be larger than normal. Feedlot placements will be much larger than normal during the August–November period, which will in turn cause above average fed cattle marketings during the first part of 1974, resulting in subsequent lower prices for fed cattle at that time. If high death losses continue, this year's calf crop will not show as much increase as originally anticipated.

Pork supplies will start to increase significantly during the last quarter of 1973, which is the primary reason hog and pork prices will be lower then, compared to present levels. We expect this trend of lower prices to continue during most of 1974 for hogs.

3. Poultry—Average retail broiler prices in the U.S. will range between 35 and 50 cents a pound during the balance of 1973. Retail broiler prices average 46 cents a pound in February of 1973, which is 11% over the average U.S. retail broiler price for 1972.

4. Reasons—There is a strong demand for broilers, chickens and eggs and we expect this trend to continue during 1973. Broiler and related poultry supplies compared to 1970–1971 levels will stay low through September of this year. This is due to sharply rising costs, resulting in the cost of production being above the price received by the poultry producer and processor.

5. Dairy products—The average retail price for milk in the U.S. in February was about 60 cents per one half-gallon, which was up about 3% over the average retail price of milk during all of 1972. We expect the retail price of milk during the balance of 1973 to range between 60 and 66 cents per half-gallon of milk, which represents about a 10% increase in milk prices by this fall, compared to the last half of 1972.

6. Reasons—As with the care of red meat and poultry the demand for milk has been increasing. We expect this trend to continue during the balance of 1973. Total milk production in the U.S. during the first half of 1973 will be about 1% below the first half of 1972 and milk production during the second half of 1973 will be down about 2% compared to the second half of last year. This is because of sharply rising production costs which are now above prices received for milk and many milk products by the producer and the processor. Dairy farmers are, as a result, culling their cow-herds more heavily than normal now and we expect this trend to continue for several more months during 1973.

SUMMING UP

Grain prices increase due to:
USSR decision to upgrade diet.
USSR unexpectedly large wheat purchases.
US harvesting delays.
US logistic problems:
Interior transportation.
Seaboard elevation.
Protein price increase due to:
Reduction/cessation Peruvian fish catch.
Existing and known world shortage of protein.
Livestock/Poultry/Milk/Meat price increases due to:
Increased demand.
Increasing personal income.
Increased exports.
Decreased supplies.
Weather.
Mud losses.
Inventory building.
Increased costs for farmer.
Cost of feed.
Cost of gain—(weather/mud).
DES.
Increased spread between farm and market.
Inflation.
Wage Increases.
Transportation charges.
Consumer Boycotts.

THE NEED

1. The prevention of a food shortage in the United States.

2. Make the standard of living and income in rural and urban America equal and keep it that way. We need more young farmers.

3. Further strengthen this country's ability to be the most efficient producer of the most, the best and the lowest priced food in the world.

4. Improve the U.S. balance of trade and payments position and the stability of the U.S. dollar.

RECOMMENDED SOLUTIONS

1. When the American Farmer and Rancher, through the *profit incentive* and *free market system*, is in a position to consistently make a comparable return on his labor, land and capital investment as other industries do, he and the American farm family will solve all of the major needs, and problems referred to above. This is the only solution that will really work and that will stand the test of time.

2. If the American consumer spent 20% of his income on food instead of the present 16%, the American public would actually benefit. Why? Because it would insure an ample supply of high quality food and a sound expanding total economy in the future. The American Farmer is optimistic by nature and when he starts making a real profit that he can be proud of, he will unquestionably produce plenty of food for our needs, plus the need of many other countries.

3. Do not make the serious mistake of placing the sole blame for this country's

price inflation problems on farm and food prices. The record shows very clearly that the American Farmer has contributed the least to rising consumer prices than any other basic industry in this country. This is true today and it was true 20 years ago.

4. Once rural and urban incomes become equal, then food prices should increase in proportion to all wage increases on a year to year basis.

5. Extend the 1970 Farm Act for only one year, and then make proper changes in the farm program next year, with the emphasis on much less government involvement financially and otherwise, while letting the free market and profit incentive system take over.

6. Adjust the milk price support level this year only from 75% to 85% of parity.

7. Develop and implement, a more flexible and longer range two-way market sharing and foreign trade policy regarding agricultural farm commodities. The American farmer needs longer range production guidelines self-imposed relative to the world supply and demand for food.

8. More than ever before, we have a world market for food. American Agriculture and the public would benefit greatly by having much more complete and timely information regarding supplies, demand and prices for farm commodities and food for all countries of the world. We recommend that the U.S. Government finance and develop, in cooperation with other countries, a sophisticated and computerized agricultural market information system.

EXHIBIT A

The buildup is too rapid

We interpret the USDA January 1, 1973 Cattle Inventory Report as bearish especially from late 1974 to 1976. In addition, it appears as though both pork and feed grain supplies will be substantially larger in 1974 compared to 1972 levels. Caution, restraint and positive action are the keys to a continued profitable cattle industry.

A 7% buildup in replacement heifer numbers, plus a 6% jump in beef cow numbers during 1972, spells trouble down the road. This sharp increase during 1972 in beef cow numbers is on top of previous significant jumps during 1970 and 1971. The increase in beef cow numbers during 1972 was 2,295,000 head or 245% more than the increase of 930,000 head during 1971.

To further illustrate the trend towards building beef cow numbers, cow slaughter was lower in 1972 than in any of the eight previous years (except 1970) since 1964. At the same time, a trend towards holding back significantly larger numbers of replacement heifers has been obvious since 1970. Cow slaughter under federal inspection in 1972 was 5,400,000 head or more than 4% below the 1971 figure.

We expect cow slaughter in the U.S. to start increasing during the 1974–1976 period, compared to the 1972–1973 levels. With a trend of increased cow slaughter between now and 1976, any increase in beef imports from foreign countries will have a pronounced depressing effect on domestic cattle prices during this same period.

This word of caution regarding too rapid a build-up in our cattle numbers may sound out of place in view of today's prices, but the commercial cow/calf operator is again faced with the important decision of how much to increase his herd inventory. It is a decision that will greatly affect the beef business for at least the next three to five years. We have now had three years of sharp increases in our beef cow inventory. With this trend continuing during 1973 and 1974, we believe that the favorable position which the cow/calf operator is in today will have eroded considerably by 1975. The results will be lower cattle prices than what we have in 1973 and substantially larger feeder cattle supplies.

In the past few years, cattlemen have done an excellent job of efficiently producing a uniform supply of high quality beef which the consumer has come to readily accept. It is a case of regularly satisfying the consumer with predictable quality and uniform eating satisfaction.

To keep pace with the growing demand and consumer preference for beef, some growth in cow numbers is needed. The key question is how much growth is healthy and when do we reach the "too much" level.

We do expect personal incomes to further increase and therefore the demand for beef and pork to continue improving in the years ahead. However, the accelerated demand for meat during 1972 and 1973 has been caused in part by various government social reform programs resulting in a redistribution of income, allowing traditionally lower income groups to have more money to spend for beef and pork. For example, our government spent over $2 billion during 1972 in the Food Stamp program. In addition, there were two jumps in social security payments during the past 15 months of about 20% each. Furthermore, local, state and national welfare payments were at an all-time high in 1971–1972.

During the 1974–1976 period, it appears that these government programs causing accelerated demand and expenditures for beef and pork in 1972–1973, will be leveled off, and in many cases, reduced. Therefore, the demand for beef and pork in the future will primarily come from increases in consumer personal incomes, population growth, and from whatever exports of pork and beef we are able to achieve to foreign countries, such as Japan. We believe, therefore, that it is unrealistic to assume that the demand for beef and pork will continue to increase at the same accelerated rates during the 1974–1976 period as it did during the 1971–1973 period.

Relating this to the cow/calf operator, all the indicators point toward an ideal steady growth rate in beef cows numbers of no more than 2.0% to 2.5% per year. This rate of growth would add about 820,000 to 1,000,000 head of new females to the breeding herd each year and keep supply and demand in a healthy balance for both the producer and the consumer. We believe that sound supply-management guidelines call for cow/calf operators to regulate their calving and replacement programs so that beef cow numbers do not increase more than 2.5% per year during the next three years. They should start now.

The trend of improved efficiency on the part of the U.S. cattlemen to obtain proportionately higher increases in beef tonnage from relatively small increases in the nation's cow herd, will continue for at least the next five years. Improved seedstock, better management, greater emphasis on fertility and the expanding feedlot industry all contribute greatly to having an adequate supply of beef available from a steady 2.0% per year increase in beef cow numbers.

The dairy cattle inventory in the U.S. has finally stabilized. For the first time in many years, dairy herd replacements are now increasing. This will result in even larger total beef supplies in the years ahead.

All major regions in the U.S. had increases in beef cow numbers during 1972, ranging between a plus of 2.3% to 8.8%. The most significant increases were in the states of Texas, Oklahoma, Kansas, Missouri, North Dakota and the southeastern states. We expect this trend to continue.

In the case of state rankings 50% of the beef cows in the U.S. are in the eight states of (1) Texas, (2) Oklahoma, (3) Missouri, (4) Nebraska, (5) Kansas, (6) South Dakota, (7) Iowa and (8) Montana.

USDA ANNUAL CATTLE INVENTORY ESTIMATES, JAN. 1, 1970–73

Cattle classification	1970	1971	Percent change	1972	Percent change	1973	Percent change
A. All cattle:							
1. All cattle and calves	112,303	114,578	+2	117,862	+3	121,990	+4
2. All cows and heifers that have calved	48,982	49,786	+2	50,585	+2	52,753	+4
B. Beef cattle:							
1. Cows and heifers that have calved	36,404	37,877	+3	38,807	+3	41,102	+6
2. Heifers over 500 lb, for replacement	6,253	6,664	+7	6,987	+5	7,470	+7
3. Steers, heifers and bulls under 500 lb	29,704	30,235	+2	31,688	+5	32,342	+2
4. Steers over 500 lb	15,080	15,610	+4	15,999	+2	16,655	+4
5. Bulls over 500 lb	2,245	2,327	+4	2,376	+2	2,465	+4
C. Dairy cattle:							
1. Cows and heifers that have calved	12,578	11,909	−5	11,778	−1	11,651	−1
2. Heifers kept for replacement	3,974	3,843	−3	3,828	0	3,875	+1
3. Other heifers	6,065	6,113	+1	6,399	+5	6,430	0

EXHIBIT C

AVERAGE QUARTERLY PRICES OF CHOICE SLAUGHTER STEERS AT AMARILLO AND SLAUGHTER HOGS AT PEORIA PER HUNDREDWEIGHT

	Quarter 1, 1972	Quarter 2, 1972	Quarter 3, 1972	Quarter 4, 1972	Quarter 1, 1973
Cattle	$35.20	$35.53	$35.30	$35.37	$43.02
Hogs	25.98	26.46	29.84	30.19	36.27

MEAT PRODUCTION BY QUARTER FOR BEEF, PORK AND MUTTON

[Millions of pounds]

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1972	8,272	8,396	8,466	9,137
1973	8,135			

POULTRY SLAUGHTER BY QUARTER (MILLIONS OF POUNDS OF POULTRY INSPECTED FOR SLAUGHTER)

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1972	3,052	3,443	3,879	3,764
1973	[1] 2,022			

[1] For January and February.

EXHIBIT D

AVERAGE RETAIL BEEF PRICES
[Cents per pound]

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1972	114.4	112.3	115.3	113.2
1973	[1] 126.3			

[1] For January and February.

AVERAGE RETAIL PORK PRICES
[Cents per pound]

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1972	79.0	79.9	86.1	87.7
1973	[1] 95.6			

[1] For January and February.

AVERAGE RETAIL BROILER PRICES
[Cents per pound]

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1972	41.4	40.7	42.0	41.5
1973	44.7			

EXHIBIT E

AVERAGE QUARTERLY PRICE SPREADS FOR BEEF, PORK AND BROILERS PER HUNDREDWEIGHT

Quarter	Live-wholesale price spread			Wholesale-retail price spread		
	Beef	Pork	Broilers	Beef	Pork	Broilers
1st (1972)	$3.07	$7.95	$13.60	$23.39	$16.52	$13.60
2d (1972)	3.09	7.62	11.50	22.05	17.60	13.50
3d (1972)	2.94	7.05	14.40	25.15	17.68	12.30
4th (1972)	3.15	9.28	13.90	25.19	14.77	13.50
1st (1973)	[1] 3.36	[1] 7.59	[1] 18.80	[1] 23.51	[1] 16.24	7.60

[1] For January and February.

AVERAGE QUARTERLY HIDE AND OFFAL VALUES PRICE PER HUNDREDWEIGHT FOR LIVE WEIGHT STEERS

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1971	$2.06	$2.25	$2.16	$2.24
1972	2.70	3.33	3.78	4.26
1973	4.45			

EXHIBIT F

LIVESTOCK PRICES—RETAIL PRICES AND CONSUMER INCOME, 1951–72

Year	Price per hundredweight		Price per pound (cents)		Disposable personal income per capita
	Average cattle prices	Average hog prices	Average choice beef prices	Average pork prices	
1951	$29.69	$20.00	87.3	57.8	$1,468
1952	25.71	17.80	85.7	56.2	1,518
1953	17.66	21.40	68.4	62.1	1,582
1954	17.44	21.60	67.8	63.4	1,585
1955	16.92	15.00	66.8	53.6	1,666
1956	16.34	14.40	65.4	51.4	1,743
1957	18.50	17.80	69.9	59.4	1,801
1958	23.11	19.60	80.2	63.8	1,831
1959	23.91	14.10	82.0	56.3	1,905
1960	21.98	15.30	80.2	55.9	1,937
1961	21.41	16.70	78.4	58.4	1,984
1962	22.95	16.40	81.7	58.8	2,066
1963	21.10	15.00	78.5	56.6	2,139
1964	19.71	14.80	76.5	55.9	2,284
1965	$21.37	$20.80	80.1	65.8	$2,436
1966	23.34	23.00	82.4	74.0	2,605
1967	23.43	19.00	82.6	67.2	2,751
1968	24.63	18.70	86.6	67.4	2,946
1969	27.25	22.90	96.3	74.3	3,130
1970	27.79	21.90	98.8	78.0	3,358
1971	28.80	17.95	104.3	70.3	3,581
1972	33.20	26.00	113.8	83.2	3,767
Increase, 1951–72 (percent)	12	30	30	44	150
January 1973	$37.10	$31.00	122.3	94.1	
February 1973	40.50	34.20	130.3	97.1	

Share of food expenditures from personal disposable income

[In percent]

United States	16.7
Canada	20.6
West Germany	24.2
Japan	26.6
Western Europe	30.0
U.S.S.R.	52.0
Eastern Europe	54.0
Other nations	Up to 60.0

Economically active population in agriculture as percent of total economically active population

[In percent]

Name of country of area	
United States	4
Oceania	18
Europe	19
Japan	21
U.S.S.R.	32
South America	39
Central America	47
Asia	63
People's Republic of China	67
Africa	69

STATEMENT OF JOHN SCHNITTKER

The extraordinary rise in the prices of agricultural commodities and in wholesale and retail food prices over the past few months can be traced to a number of causes. The most important single factor behind the rise in crop prices was the disastrous crop failure in the Soviet Union, requiring the USSR to import some 25 to 30 million tons of grains and oilseeds in the 1972–73 season after having been in a small net export position for many years. Food grain crops in India and China in 1972 were also down some 5 percent, while crops in Australia, Argentina, South Africa, the Middle East, and West Africa were also below average, requiring larger imports or reduced exports. Australia's wheat exports were only half of normal, and South Africa has virtually no corn for export. The result, taking all the countries of the world together, was the first reduction in total world grain production in modern history.

Livestock price increases can be traced to the increased worldwide demand for meats, to the long biological cycle required to expand beef production, and to high feed costs arising directly out of world climatic disturbances and increased exports of the past year. U.S. cattle numbers are increasing, however, and we are fairly sure to have slightly larger supplies of beef this fall and next year. Pork and poultry supplies will also increase, but so will the demand for all meat products. Official predictions that food prices will be lower at the end of the year than at the beginning do not appear to rest on a realistic analysis of the situation. In February USDA specialists anticipated a food price rise of some 6 percent in 1973. We have already had a 4 percent rise, and this will probably go to 7 percent when the April CPI is in, given wholesale prices already reported. A 10 percent rise in food prices by year's end should not be ruled out, even if crop prices stabilize.

The managers of federal farm programs in the Executive Branch also bear a share of the responsibility for the current accelerated rise in food prices. Only days after the USSR had begun its massive purchases of U.S. grain last July, and when the full magnitude of the Russian crop disaster was well known, USDA announced a restrictive wheat acreage program for 1973. Officials consistently refused to correct that error until January this year. U.S. wheat exports were subsidized at a cost of millions of dollars for at least 2 months after the world grain situation had turned from a buyer's to a seller's market. A restrictive program was announced in December for feed grains only to be changed in January and again in March, not because of new developments but because of belated recognition of the actual state of world grain and oilseed supplies and prices.

The "set-aside" has had the effect in 1971 and 1972 of accentuating the shortage and the spectacular price increase in soybeans, the scarcest of all agricultural products. The

set-aside encourages expansion of corn acreage more than soybeans, even though demand expansion is most rapid in soybeans. Congress should look closely at this program this year. Serious losses during harvest last fall were also an important cause of present high prices in the protein meal complex.

Carryover stocks in both grains and oilseeds are so badly depleted worldwide by the 1972–73 situation, that crop shortfalls in 1973 far less serious than in 1972 would set off a new spiral of grain and oilseed prices to new record highs. Russia's wheat crop is off to another poor start, India's food supplies remain tight, and the growing season is still a few months away in the U.S. and Canada, where record crops this year are essential if there is to be a degree of price stability later this year. In this situation, the U.S. can afford to err only on the side of plenty. If record crops were to be harvested everywhere this year and prices fell toward early 1972 levels, present price support laws could be brought into play to help cushion the drop in farm prices since it would be partly the result of expansionary production policies.

If the 1973 harvests in the U.S., Canada, or other major countries fall substantially below targeted levels, strong measures, including a continuation of the freeze on meat prices, and limitations of exports of grains, oilseeds, and meats would be required to keep retail food prices from rising into 1974. Alternatively, refusal to invoke such measures when adverse world crop conditions become known would virtually assure further escalation of food prices.

STATEMENT OF MARK SILBERGELD

Mr. Chairman and members of the subcommittee, Consumers Union is pleased to accept your invitation to appear before these hearings to comment on food prices. My name is Mark Silbergeld, and I am an Attorney in Consumers Union's Washington Office.

Before I offer you my comments, a bit of background about Consumers Union, which is a nonprofit membership organization chartered in 1936 under the laws of the State of New York to provide information and counsel to consumers about the management of family expenditures. Consumers Union's financial support comes from our more than two million subscribers and newsstand readers. We accept no support from any commercial organization. *Consumer Reports*, the magazine published by Consumers Union, carries no advertising. Besides testing and reporting tests on consumer products, *Consumer Reports* publishes general information for consumers on health, medicare, produce safety, the economics of the marketplace, and legislative, judicial and regulatory actions of government which affect consumer welfare.

Food quality and value has been a primary topic in *Consumer Reports* for many years. In 1972 alone, our magazine reported test results on frozen breaded shrimp, rose wines, frankfurters, frozen orange juice concentrate, honey, peanut butter, frozen pizza, ice cream and baby foods, and also published articles on drained weight of canned foods and freshness dating of packaged foods. Consumers Union also submitted extensive technical comments to the FDA on nutritional labeling and to the FTC on its proposed supermarket comparative price surveys.

Consumers are, needless to say, greatly concerned by recent food price increases, which outdistance the price increases of all other commodities in the Consumer Price Index. Indeed, since the Consumer Price Index does not reflect the apparently substantial increase in consumption of prepared (so-called "convenience") foods in the recent years since the CPI marketbasket was composed, actual food expenditure levels may be even higher than officially reported. On the other hand, neither can the CPI reflect compensatory consumer actions for reducing food expenditures, since it consists of a fixed group of food commodities which does not shift as buying patterns change.

Still, it is clear, food prices are drastically higher than they were a year ago, and the prospects for lower prices are some distance away—if at all in sight. What is more, the situation is not solely an American problem. Demand appears to be outstripping supply on a world-wide basis.

The primary focus of concern is the short term problem. Why the sudden, sharp increase in 1972, which we are continuing to experience? But, in addition the interest in cyclical production decrease, other questions also are relevant. 'From what base is the increase measured?' and 'Does that base reflect higher than competitive prices for significant food commodities?' are two questions which should be asked. And, although a worldwide supply shortage means that imports are not available to make up all of our domestic deficit, import policies bear scrutiny as an expression of a policy posture contrary to our expressed desire to keep food prices down.

PRODUCTION AND SUPPLY

It is clear that there was in 1972 a cyclical decline in production levels of significant food commodities. The Cost of Living Council Committee on Food reports,[1] from other government data sources, the following changes from 1971 to 1972:

	Percent Change, 1971 to 1972
Meat	−2
Dairy products	+2
Poultry & Eggs	+3
Food Grains	−5
Vegetables	0
Fruits & Nuts	−10

The CLC Food Committee, in its March 20 white paper on food prices, predicted substantial 1973 production level recovery. This prediction, however, must be viewed with reservations, especially since the government has already revised from mid-year to year's end the time by which it estimates that food prices will level off.

A number of factors seem to have resulted in reduced 1972 production levels. Two of these simply were not under the control of man. One was a reduction in supplies of fishmeal, used as poultry protein supplement, because of low Peruvian fish catches. Another was lower production of domestic soybeans, in part due to bad weather. Soybeans are another primary livestock feed.

Demand estimate and policy coordination, however, are within the purview of man—and the government, specifically, is expected to perform satisfactorily in these areas. There are clues that such is not the case. One clue comes from a briefing on March 22 by Council of Economic Advisers Chairman Herbert Stein. According to reports in the *Washington Post* the following day, Mr. Stein: . . . conceded that "one or two years ago" the administration had not foreseen the extent of demand for agricultural products. "Now we have a policy more conducive to the production of farm products than we had (then) . . . I would sound silly if I said we had forecast the situation correctly."[2]

Attached is a column by *Washington Post* Finance Editor Hobart Rowen regarding Mr. Stein's remarks and the underlying situation. This subcommittee should order a General Accounting Office investigation into economic forecasting and acreage allotment management at the Agriculture Department in order to determine just what causes lay behind the inaccurate forecasts and to determine whether in fact the present policy referred to by Mr. Stein is indeed more conducive to increased production of farm products.

Production on the farm was not the only supply problem over which the government was supposed to have some ability to exercise control. There have been indications that both a shortage of fuel necessary to dry out the wet crops resulting from bad weather and a worsening rail transportation system added to the supply problem.

The fuel shortage problem was reported in the *Washington Post* on December 12, 1972.[3] Senator Hartke also noted the inadequate supply of natural gas during hearings earlier this month on freight car shortages[4]—and freight car shortages also appear to have been (and to be) a very substantial portion of the food supply problem.

According to testimony given to the Senate Commerce Committee's Special Subcommittee on Freight Car Shortages during hearings in March, the shortage of rolling stock to move farm produce and elevator-stored grain is now more serious than ever before, even though such shortages have been a problem since before the turn of this century—and even though rail freight moved fifty percent more farm produce tonnage in 1972 than in 1971.[4a]

Witnesses and members of the Special Subcommittee have blamed the transportation requirements of the Soviet wheat sale and of Commodity Credit Corporation sales for the fact that the problem is worse despite greatly increased tonnage moved.[5] So that, in addition to production problems, the economy is not able to fully utilize what production was available for consumption.

It seems clear that a lack of coordination of government policies and actions is one of the factors contributing to food supply problems, and it seems equally clear that unless steps are taken to coordinate these policies and actions, and to solve related problems which have such effects, these incremental costs will continue to be reflected in food prices.

INCREASED DEMAND

Together with production declines, the economy has seen increased consumer demand. As the Cost of Living Council White Paper points out, an effective increase of six percent in real personal income during the fourth quarter of 1972, a 2.5 million person increase in employment, larger social security, public assistance and tax refund payments all add to demand. Increased foreign demand on U.S. agricultural products also add. The added demand can only exacerbate the supply shortage problem.

Additionally, the relatively inelastic consumer demand for red meat, especially beef, necessarily adds to food price levels. The consumer resistance which has finally set in to meat price levels is now having some effect on meat prices. Secretary Butz reports that beef prices were down 3¢ per pound during the week ended March 24.[6] It remains to be seen, however, how much resistance will remain as prices for meat drop. If a small drop results in a return to former meat consumption patterns before supplies are adequately increased, prices can be expected to rise again for that commodity.

IMPORT POLICIES

The worldwide food shortage relative to worldwide demand means that relaxing import restrictions is not necessarily a means of solving our production shortage. The June, 1972 removal of import quotas on meat resulted in a 15 percent increase in imports during 1972. So far in 1973, imports are up 20 percent over the previous comparable period.[7] However, it is our understanding that use of the imports is primarily in food away from home, and in prepared foods which have little weight in the Consumer Price Index, so that the effects on price levels are minimal.

Footnotes at end of article.

At the same time, there are some government actions which, while having minimal effect, are not consonant with our present situation. For example, a March 1 determination of the Tariff Commission under the 1921 Antidumping Act will have the likely effect of keeping out an additional supply of canned Bartlett pears from Australia, even though Australian Bartlett imports have never constituted more than 8.9 percent of the relevant U.S. market and at the end of 1972 constituted less than 5 percent of that market.[8] This seems particularly inappropriate in view of last year's 10% decline in the domestic production of fruits and nuts.

Further, the President's requests for Tariff Commission investigation of possible suspension of import quotas for nonfat dry milk and for cheese and cheese substitutes only cover a period of short duration, ending well before the December, 1973, date by which the administration now estimates as the earliest that food price increases will level off.[9]

THE ALREADY INFLATED BASE

To this point, focus has been on the nature of the cyclical supply and production shortage associated with the sharp food price increases of 1972 and early 1973. However, the ability of consumers to afford such increases in the face of the economy's inability to provide short-term solutions is affected in great part by the price base from which those increases depart.

Failure to enforce the antitrust laws and to conform governmental policies to our underlying assumption that competition will regulate prices appears to have a significant effect on food prices. Last spring, Senator McGovern unofficially released the summary data from a Federal Trade Commission Bureau of Economics study of costs imposed on the economy by lack of effective price competition in 100 selected industries. On the FTC's lists are seventeen food and food-related industries which, for lack of effective price competition, add an estimated $2.6332 billion annually to the nation's food bill. This overcharge—which is above and beyond what we would pay for the same commodities under price-competitive conditions—is made on a total value of shipments of $60.1 billion. In other words, we could reduce our food expenditures for these items alone by about 4.36 percent if antitrust and other government policies truly assured the competition which we often profess to exist—and this list is itself incomplete![10] If we do not assure competition, which is the market's way of fighting inflation, then we may be in for permanent controls or permanent inflation—or both.

To make matters worse, it appears that the Senate is preparing to assist in the maintenance of high food prices by granting special antitrust exemption to the soft drink industry—thereby interfering with pending FTC litigation designed to end expensive regional monopolies in soft drink bottling. It is our understanding that S. 978, a bill with over forty Senatorial sponsors, will have little if any Senate opposition, thus assuring that the estimated $250 million in annual monopoly overcharges by that industry will continue to burden the nation's food bill. Adoption of that legislation would not be consistent with the Senate's expressed concern over food prices.

Additionally, costs built into modern supermarketing add greatly to the costs of food—costs associated with such problems as brand proliferation, deceptive packaging, trading stamps, brand-name advertising and other marketing and promotional gimmicks. Attached and offered for the record is a copy of the article "The High Cost of the Supermarket Revolution," *International Consumer*, Journal of the International Organization of Consumers Unions, No. 1—1967, by Colston E. Warne, Professor of Economics at Amherst College and President of Consumers Union of United States, Inc. Dr. Warne's article outlines the nature of these costs.

ALLEVIATION OF SHORT-TERM PRICE PRESSURES

To a great extent, the administration is correct in suggesting that wise consumer shopping is the best means of alleviating the short-term pressures of food price inflation. Although it is regrettable that this advice comes from a government which admits that bad agricultural planning is a cause of our supply problem, it is nevertheless true that supply cannot be increased overnight.

Consumers Union has recommended over a number of years adoption of such information aids to the would-be-wise shopper as unit pricing and open freshness dating. If such information were to be made available in useable form, it could help consumers to get the most for their money. We have recommended these and other potential measures to the Food Industry Advisory Committee to the Cost of Living Council or to the Food and Drug Administration. The recommended informational measures include a petition to FDA for disclosure of drained weight, rather than net weight, on labels of canned fruits and vegetables. A copy of the petition is offered for inclusion in the record or the Committee files, as the Chairman may deem appropriate. Other proposals include recommendations to the Advisory Committee for CLC rules requiring unit pricing, USDA grade disclosure in conjunction with labeling and packaging of food. It has been Consumers Union's position that uniform use of ABC grading plus disclosure to consumers would promote shopping on the basis of quality rather than advertising-created brand preference or presumptions that higher prices assure quality. A copy of a letter to Advisory Committee Chairman Donald S. Perkins is also offered for the Committee's information.

Additionally, Consumers Union has supported the proposal that FDA issue nutritional labeling standards to help consumers make food quality judgments and the Federal Trade Commission conduct a supermarket comparative price survey to help consumers sort out competing "low price" claims in supermarket advertising. Such information would be of obvious use to consumers who seek to maximize the purchasing power of their food dollar.

SUMMARY

In summary, Mr. Chairman, we believe that this Committee should pursue further reports of government mismanagement and lack of policy coordination as a cause of short-term food production and supply shortages; that the Senate look to its own legislative policies—as will be reflected in the expectedly upcoming vote on special antitrust exemptions—to assure that it is not adding to or helping to continue burdens on the consumers food budget; that an effective antitrust policy and other pro-competitive government policies be adopted as a means of fighting inflation through the market mechanism; and that the Congress take any and all steps available to increase consumer product information so that consumers can make informed, economically sound purchasing decisions.

FOOTNOTES

[1] Cost of Living Council Committee on Food, White Paper on "Food Prices," March 20, 1973.

[2] Hobart Rowen, "Stein Sees Buyer Effect on Meat Cost," *Washington Post*, Friday, March 23, 1973, p. A-1. The Cost of Living Council Food Committee White Paper on Food Prices does not mention inadequate forecasting as a cause of production shortages.

[3] "Lack of Heating Fuel May Shut Some Iowa Firms," *Washington Post*, Wednesday, December 13, 1972, p. A1.

[4] United States Senate, Special Subcommittee on Freight Car Shortages of the Committee on Commerce, hearings, March 13, 1973, p. 5.

[4a] Special Subcommitte Hearings, March 13, pp. 27–28, 69.

[5] Special Subcommittee Hearings, March 13, pp. 9–10, 26, 31–33. The CLC Food White Paper states: "The record volume of grains being transported has caused transportation congestion and shortages of boxcars and hopper cars." It does not mention the effect of export sales on transportation of grain for domestic feed and food consumption!

[6] "Beefed-Up Boycott Squeezes Meat Packers," *Washington Evening Star*, Tuesday, March 27, 1973, p. A-3.

[7] CLC Food Committee White Paper, p. 6.

[8] 38 Fed. Reg. 44, p. 6239, Wednesday, March 7, 1973.

[9] See 38 Fed. Reg. 6, p. 1240, Wed. Jan. 10, 1973; 38 Fed. Reg. 48, p. 6855, Tues., Mar. 13, 1973.

[10] The FTC data are reported and analyzed in Scanlon, "FTC and Phase II: The 'McGovern Papers,'" 5 Antitrust Law and Economics Review 3, p. 19, Spring 1972. The seventeen food and food-related industries are:

SIC	Industry	Value of shipments (billions)	Monopoly overcharge (millions)
2011	Meat packing plants	$15.6	$489.3
2026	Fluid milk	7.8	256.7
3522	Farm machinery	4.3	251.1
2036	Soft drinks, bottled and canned	3.2	247.8
2042	Prepared animal and fowl feed	4.8	201.5
2082	Malt liquors	2.9	198 0
2051	Bread, cake, and related products	5.1	191.9
2033	Canned fruits and vegetables	3.5	143.6
2071	Confectionery products	1.9	94.4
2041	Flour and other grain mill products	2.5	88.5
2085	Distilled liquor, except brandy	1.4	88.3
2037	Frozen fruits and vegetables	2.1	84.9
2062	Cane sugar refining	1.4	71.5
2032	Canned specialties	1.4	71.2
2654	Sanitary food containers	1.1	64.1
2052	Crackers and cookies	1.4	57.3
3551	Food products machinery	.8	38.5

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

VOTER REGISTRATION ACT

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 352, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 352) to amend title 13, United States Code, to establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. MONTOYA). Without objection, it is so ordered.

Mr. McGEE. Mr. President, we have had an informal conversation in regard to handling the remaining committee amendments, and I want to ask unanimous consent that the group of changes on page 7, beginning on line 15, that runs down through line 17—they are word changes or deletions and they are all addressed to the same point—may be adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

Mr. McGEE. Mr. President, on the next section, I ask unanimous consent that they be considered en bloc also, but we do want to discuss the meaning of one of the limitations.

The PRESIDING OFFICER. Is there objection to the consideration of the next section of amendments en bloc? The Chair hears none, and the amendments will be considered en bloc.

The Senator may proceed.

Mr. McGEE. Mr. President, I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, I have no objection to considering these several amendments en bloc, but I do wish to point out what to me seems to be a deficiency in the language, or at least the injection of a practice that would not be in the public interest.

I note that postcards sent out on a mass distribution basis are to be sent out at least once every 2 years. It would seem to the Senator from Alabama that this would allow multiple distribution and it would just lie within the discretion of the Administrator as to how much time he wanted to send out these mass mailings, up in the tens of millions of cards. I think it has been estimated it could be as many as 240 million cards.

Would the Senator object if we deleted the words "at least" in the language which provides that they are to be sent to postal addresses and residences and, instead of using the language "at least once every two years," have it "once every two years"?

Mr. McGEE. That is the way it originally was written when we first put it in there, and then we were advised by the authorities that there were exceptions to that under a situation like this: In the State of Wyoming, just for the sake of illustration—there are several States like this—if one does not vote in the general election, he is no longer registered. If our Congressman died in the next few months, the Congressman would have to be replaced in a special election, and therefore there would be no postcard facility available for that Federal election. So, because there were enough instances in which that could occur if there were such a special election, we were advised to put in that covering language. That is the reason for the addition.

Mr. ALLEN. That is another thing that disturbs the Senator from Alabama—that the bill seems to contemplate a national distribution of postcards to all households and all postal addresses in the country. That would be triggered by a special election, even.

There seems to be no provision for spot distribution to a particular territory. There would be arguments on both sides as to whether it would be a spot distribution in a particular locality or whether a special election would trigger a mass distribution all over the country. What would be the Senator's view of that?

Mr. McGEE. The first view would be that the board of registration Commissioners of three men would certainly have to be more responsible than that. They have to get their money from Congress and if they were going to run a play game with postcards, they would be subject to restrictions by Congress. But assuming the President of the United States appoints responsible men, and not two or three "nuts," there would be a sense of responsibility. The Bureau of the Census permits coverage of a State in a special election. We would have to assume good judgment. That is the implied responsibility of the Commission.

Mr. ALLEN. It seems to the Senator from Alabama that this would allow the injection of politics into the distribution.

Would it not be possible then for a candidate of a political party to go to the administrator of the post card registration bureau and say, "Look, I am facing a hard election here in my particular city. And I feel that if I can get more people registered there, I can win the election. Will you not then send cards just to my county?" Under this law would the administrator of the bureau be authorized to send to just one county?

Mr. McGEE. Rather the other way around. The jurisdiction would extend only to Federal elections in that State.

Mr. ALLEN. That is what I am talking about.

Mr. McGEE. For a Member of the Congress, for example.

Mr. ALLEN. That is what I am talking about.

Mr. McGEE. It would depend on the status of the registration laws, and that law would determine it. If the registration which had occurred in the preceding year in any Federal election had been through the post card system, it would not automatically follow until two years later. If that State had laws that wiped out registration if one had not voted in the preceding election, it would automatically follow as a matter of policy of the commission. But it would have no relation to the candidates running for election.

Mr. ALLEN. I disagree with the Senator. There would be nothing to prevent a candidate for Congress, since he is running in a particular race as a candidate for Congress, from coming to the administrator and saying, "Now, if I could just get a few more people registered in my district, I could win the election. Would not you send out a mass distribution of post cards in my congressional district?" Would there be anything under the law to prevent the administrator from complying with that request?

Mr. McGEE. Yes, the chance that he would be called into question by the Congress, his right and his ability to hold the office and his responsibility would certainly be called into question by the administrator in charge, the President of the United States. And then there would be the good judgment and the intent of the law itself. The law is to be triggered by the mechanics of a State in terms of registration procedure. They could be registered in any kind of way. One could not request the sending in of a mass mailing in a particular district.

Mr. ALLEN. There would be nothing to prevent it other than that possible criticism of his bad judgment.

Mr. McGEE. And the responsibility of the Commission. I think we have to have the good faith and the responsibility of the Commission.

Mr. ALLEN. Every 2 years there is a general election for Congressmen and there are certain key districts. Would it not be entirely possible that the Administrator could be called on to send out a mailing only in these key districts and key States? Would not the ugly head of politics be reared in the administration of this law? Is that not conceivable?

Mr. McGEE. No. It is not conceivable to me as one who reads the language. This mandates the mass mailing in a Federal election at least every 2 years. That means in all the Federal districts. That is all 435 or 436 congressional districts and no selectivity would be available there.

Mr. ALLEN. Every time they have a special election to fill a congressional seat, they have to mail throughout the country?

Mr. McGEE. No. It is the opposite that I was addressing myself to, the required mandate that there be a mass mailing every 2 years.

Mr. ALLEN. But they can mail them as quick as they put them in the mail. But there is nothing to prevent them from sending out another mailing throughout the country to selected districts?

Mr. McGEE. It would be in the good judgment of the Commission. If we had to write laws that way, we would still be writing laws about the Constitution. We have to proceed in accordance with the article of the legislative history and the article of the intent of the Congress which we have been trying to spell out in the colloquy with the Senator, which rests entirely on the good judgment and not on horseplay.

Mr. ALLEN. The Senator says that only the good judgment of the administrator or the Commission would stand between the possibility that the mailing might be sent out to selective districts where more registrants are needed?

Mr. McGEE. These three Commissioners, or the Voter Registration Commission, are subject to the approval of the Senate. They cannot proceed without receiving the money from this body. This would control the abuses or exposures to the same restraints we have now in the various agencies and the bureaus of the Government. They still must proceed in

accordance with the good faith and responsibility of the administrator.

Mr. ALLEN. The Senator heard the representatives of the Census Bureau who testified before his committee to the effect that the passage of this bill would bring politics for the first time into the Census Bureau. They objected strenuously to the passage of this bill. Is that not correct?

Mr. McGEE. Which year is the Senator talking about, this year or last year?

Mr. ALLEN. I do not know. I do not imagine that the situation has changed.

Mr. McGEE. As a matter of fact, it did. The Census Bureau a year ago testified in favor of it. And then at the very last minute, after refusing to testify, they suddenly came in with a decision that it gave them serious misgivings because of the political angle. One can find no role for political horseplay in this particular bill. And yet one could raise with the Bureau of the Census the question of politics and what it does sometimes now. They inquired this last year about what the public thought about Phase I of the President's economic program. That is a highly political question for some people. However, I think that is a legitimate question for them to ask. And I do not think that is loaded politics. But it is certainly more loaded than the mailing of the postcards under a prescribed format of no less than every 2 years and to cover only those cases in selected States where registration laws cover the matter.

Mr. ALLEN. With respect to S. 352, the pending bill, the Senator would not take the position that this would inject politics into the operations of the Census Bureau for the first time?

Mr. McGEE. They raised the doubt that it would, and then qualified it very materially in the Senate hearings, as the Senator knows, having read the transcript. The testimony was less than persuasive to all members of the committee. However, that is irrelevant here. Do we indeed open up some avenue of political shenanigans for the Bureau of the Census? We certainly do not. They would be asked to mail postcards which are applications to register to vote. And the Census Bureau ought to be glad to do it and ought to brag about doing something to make it possible for people to vote, because, God knows, they do not vote.

Mr. ALLEN. I was interested in the Senator's suggestion. There would be no danger of politics creeping into a Federal bureau or agency. Is the Senator suggesting then that no Federal bureau or agency is ever guilty of playing politics?

Mr. McGEE. Heavens, no.

Mr. ALLEN. Why would this bureau be any different than any other bureau?

Mr. McGEE. For the reason that it does not have the kind of access through this kind of funds to the kind of discrimination that would be available to some of the bureaus of the Government that need much closer vigilance or surveillance. This one mails postcards.

Mr. ALLEN. They have access to the Government's franking privilege, and access to the Government Printing Office's printing presses, do they not? That spells more than money, in many cases.

Mr. McGEE. Well, almost everything else we do in that way would have some implications, but not in terms of partisan, loaded politics that would disrupt the steady operation of a system to obtain more voters.

Mr. GURNEY. Mr. President, will the Senator from Wyoming yield on that point?

Mr. McGEE. Just a moment; let me add one comment from the Acting Director of the Census Bureau in the course of our hearings. In the series of questions that we were pursuing in regard to the contradiction between the Census Bureau testimony last year and the Census Bureau testimony this year, there was an attempt to try to rationalize those differences without any particularly sharp delineation; but what the Acting Director of the Bureau of the Census finally concluded was:

> We would do everything we could, obviously, if we were given this responsibility, to do it objectively and to be nonpartisan.

The further point in connection with it is that there would be 3 members of the Commission who would have that jurisdiction, that would be appointed by the President of the United States. They have to be divided 2 and 1. The Senate approves them and has the oversight surveillance responsibilitity for their conduct. In the mechanism that they are selected to administer, there are not even the usual avenues or alternatives with which to play political favoritism.

Mr. ALLEN. The Senator would not think the Census Bureau would come in and tell a Senate committee they would not carry out the law if the law was passed, would he?

Mr. McGEE. I was not of the opinion that Mr. Hagan would testify falsely before a committee of the Congress, and believed this was a genuine statement of intent, that it was not a coverup for Congress.

Mr. ALLEN. Well, of course he would carry ou the law if he was working for the Government.

Mr. McGEE. And carrying out the law under this mechanism makes it a very straight line he is on, because there are no side roads that permit pulling off the track in order to play political favoritism.

Mr. ALLEN. Well, if the Senator from Florida will delay his inquiry just a moment, as the Senator from Alabama reads this particular amendment, or this particular section, there is nothing other than the good judgment of the Commissioners, to which the Senator from Wyoming has frequently alluded, that would prevent this commission, first, from having a mass mailing throughout the country every month, every week, or every day of the year. There is nothing under this section that would prevent these Commissioners, other than their good judgment and their refusal to play politics, from spotting particular congressional districts over the country that they would like to have more people registered in for the purpose of aiding one party or another. All we have got is the good judgment of the Commissioners.

As a distinguished office holder of the Federal Government at this time recently stated, he had a presumption of regularity. I believe he called it, about the operation of the Presidential Office and the offices of some of the staff members. He said he presumed regularity.

The Senator from Wyoming, I believe, is falling into that same line of reasoning. He is presuming regularity. But it does not always happen that way, and I think we should provide for the worst.

I think, while it would not cure my objections to the bill, it would remove one of my objections if we limited this mass mailing to once every 2 years by knocking out the words "at least" here. It is possible that I will offer an amendment to that effect.

Another thing I would like to point out in connection with this mass mailing: Take a State like Utah. According to the Census Bureau's figures, there are registered, or were in 1970, of all of the people in the State of Utah of voting age, 98.4 percent of those people in Utah who are 18 years of age or over, leaving only 1.6 percent unregistered.

I feel that 98.4 percent of the people registered is a pretty good record. But yet the Senator from Wyoming, under his bill, would have the registration by post card administrator send out somewhere between a half million and a million post cards to the State of Utah, to catch those 1.6 percent of the people there who are not registered.

Speaking of overkill, that looks to me like just about as bad a case of overkill as one could imagine. Why in the world would we want to send out from half a million to a million post cards to get that handful of people in Utah who are not registered?

That is just one illustration of the manner in which this bill would operate against the interests of all the people of this country.

Another thing I would like to point out to the distinguished Senator from Wyoming, and I did not have an opportunity to do so yesterday, as I was saying, when I made a few remarks on the bill: The Senator is concerned about the fact that so few people are registered. I have looked at this table for 1970, it is true, showing that in the State of Wyoming—which the distinguished Senator has the honor of representing so ably here in this body—there were some 69 percent of the people of Wyoming eligible to vote who had registered, whereas in my own State of Alabama, 80 percent of our eligible voters are registered.

I shall not claim all the credit for our people there in getting this tremendous number of people registered, which so far, with apologies to the distinguished Senator, outdistances the record of registration in Wyoming. The Federal Government aided us on that, and they sent down droves of Federal registrars to register our people down there. They kept late hours. They would go out on the streets and sidewalks, grab people by the neck, and bring them in and register them. They would go to shopping centers at night. They would go to the factory gates. They would scatter out all over the State, registering people.

Now, if the distinguished Senator from

Wyoming finds that a lower percentage of his people are registered out in Wyoming, and he wants some aid from the Federal Government to get those good citizens registered, I would suggest that I would support an amendment to the Voting Rights Act of 1965, as amended by the Voting Rights Act of 1970, that would send some Federal registrars into areas outside of the South, and help the good people of those other States to register their citizens.

But I feel that it lies within the motivation of the people as to how good a percentage of registered voters a State is going to have. If the State of Utah can register 98.4 percent of its people, I believe that other States, if they are interested enough, if the people are interested enough in voting to bother to drop down by the registration office and register—many States have lifetime registrations—the Senator from Wyoming said his State has to register before every election—but I would support the Federal registrars in areas outside the South. I feel that that would be some aid that could be given, without setting up this vast Federal bureaucracy, another echelon of government that will seek to serve as "big brother" to the people of this country.

Mr. President, this legislation is not needed. The power given to the administrator to mass distribute the cards throughout the country would certainly be a very unwise provision.

Now the distinguished Senator, the chairman of the Post Office and Civil Service Committee, I know is familiar with the operations of the Postal Service. He is doing a good job trying to get the Postal Service to render better postal service. I know that he is very much concerned about that.

Just a little rule of thumb arithmetic calculation here, I should like to illustrate the burden that this mass mailing of cards would have on the Postal Service every time the administrator decided he wanted to mail out a mass mailing of cards.

These cards would have to be at least the size of a postcard and if they have the four-page document that the committee report says the State of Alabama has, it would have to be several postcards. But just say two postcards going out with the return card attached to it, I would figure that there could not be more than 25 double cards per inch. In one foot of cards stacked, one on top of the other, there would be about 300-cards-per-foot.

To illustrate further, if we stacked the cards up, one on top of the other, we would get a stack of cards the height of the Washington Monument. That would be by multiplying the 300 by the 555 feet, which is the height of the Washington Monument, and we would end up with about 165,000 cards in a stack as high as the Washington Monument.

Well, say we sent out 100 million cards—the distinguished Senator from Hawaii estimated it would be 240 million—but let us say 100 million, just a modest number, to go out to the people all over the country, that would make some 600 stacks of cards each as tall as the Washington Monument that would be put into the business of the Postal Service. Each of the cards will cost some 12 cents, it has been estimated, to prepare; although I think that is ridiculously low. By having to have each State law on there in order to comply with State law on the questions having to be asked, and then having the cards addressed back to a particular registrar, but each one of the cards costing at least 12 cents apiece, I do not believe that the Postal Service needs this additional business. If it takes a week now to get a letter from Alabama to Washington or from Washington to Alabama, I do not know how much delay this would cause the public which patronizes the Postal Service.

I note from the bill that not only do they have the cards going out, scattered throughout the country, they have them in stacks in various government offices, Federal, State, and local.

It would really seem to me to be better to eliminate putting them in the mail and have the cards left at the corner grocery store, the drugstore, the city clerk's office, or the mayor's office, so that the fellow can come by every now and then, as he would get into town once every 2 years and he would certainly have to go to the grocery store even—if he is running a boycott—he would have to go to the grocery store at least once every 2 years to pick up up some supplies, so that at that time he could pick up one of these cards.

So, why put all this stuff over on the Postal Service? I do not believe they need that additional business.

Mr. McGEE. Would the Senator vote for it if we would limit it to that kind of distribution?

Mr. ALLEN. I would have to give it serious consideration. Is the Senator making that offer?

Mr. McGEE. I was interested whether such an offer would have any interesting takers.

Mr. ALLEN. If the Senator made that offer, I would be very glad to consider it.

Mr. McGEE. I have the feeling that we have been here before. I am now looking at the clock and it says 11:06. I am advised, in checking on our mail distribution system, that some 11 million pieces of mail have actually been delivered since the Senate went into session this morning at 10 a.m., and some two and three-quarter million pieces of mail have been delivered while the Senator was speaking.

What I am trying to say is that we can play all kinds of numbers games and stocked cards from now to doomsday but the Postal System of the United States exists to serve the people of the United States and the system of government of the United States.

I did not happen to notice that the Internal Revenue Service decided not to send out its income tax forms in the mail this year because they were worried about the "lousy" mail service. I got my income tax forms and everyone else got theirs, I am sure.

Mr. ALLEN. May I point out an important difference there, since the Senator has given that illustration?

Mr. McGEE. Yes.

Mr. ALLEN. The Internal Revenue Services, with all due respect, does at least have a taxpayer or a potential taxpayer listed by name and address, whereas the distinguished Senator from Wyoming is far from doing that. The cards will be addressed to "Postal Patron," "Boxholder," "Addressee," "Householder"—words of that sort. There is some specificity in the IRS's mailing, whereas the Senator from Wyoming would have a scatter-shot approach.

Mr. McGEE. They likewise do the same thing in addition. There are Internal Revenue forms all over the lot.

Mr. ALLEN. Has the Senator ever heard of the IRS's sending out forms to "Postal Patron"?

Mr. McGEE. I have picked up my Internal Revenue forms from offices downtown. I have also requested them from other places and later picked them up. They also come to my home of course. I sometimes lose them. Those IRS forms can be picked up without having to write for them.

Mr. ALLEN. But they have the name of the Senator on it.

Mr. McGEE. Not the ones I happen to lose sometimes. Sometimes I do the forms over again, thinking I can save a nickel. So I make out another one. That is no problem, in any event. But I did want to address myself to two or three points that the Senator raised. I have made these points before, as the Senator has. I wonder whether I might ask the Senator from Alabama if he had a time in mind when we might come to a vote on the bill itself? We agreed not to do anything like that today. We have some amendment votes we will likely have, but I am speaking to the bill itself. I note in the Washington Post that they are worried there is some kind of loose filibuster underway and I do not consider it that. I think we are having an educational discussion to raise all the points. But sometime we are going to run out of education.

Mr. ALLEN. As the Senator from Alabama has stated to the distinguished Senator from Wyoming on more than one occasion, he has no amendments and plans to make no motions whatsoever; and he would like to call to the attention of the distinguished Senator from Wyoming that thus far we have not even adopted the amendments that the committee headed by the distinguished Senator from Woming thought necessary to add to the bill. We are still working on amendments that he is proposing and his committee is proposing.

I am advised that some Members of the Senate do have amendments, but I do not have any. I imagine they will be discussed. I have no understanding as to when it might come to a vote, and I do not know when the Senator is going to conclude having the committee amendments considered. I assume that the bill will then be open to amendment by other Senators.

Mr. McGEE. That is correct.

I must say that the Senator from Wyoming, as chairman of the committee and author of the bill, made the customary effort to have the committee amendments, which were largely perfecting

amendments, with one or two exceptions, considered en bloc. It was not the idea of the Senator from Wyoming that we ought to separate them and take several days to discuss them. I was ready to consider them en bloc so that we might move expeditiously and get down to the other amendments. But, because of the wisdom of others who did want to consider them one at a time, we are under that process, which I am delighted to do so that we can explain these matters as we go along.

In the interest of not holding up other legislation and that sort of thing, and yet having adequate time to raise all our questions and to make all our speeches, I think that perhaps we could arrive at a tentative agreement as to some format for limiting debate on amendments, so that we can have a time down the road in order to give Congress a chance to vote on this matter. Would the Senator be willing to work out a limitation?

Mr. ALLEN. I would like to ask the Senator whether there is any date beyond which he would not insist on having this bill considered by the Senate?

Mr. McGEE. The committee has reported the bill, and the bill is the subject of the Senate. Senators disagree on the merit of the bill; under our system, I have found that McGEE has been disagreed with very often, and many bills have passed that I did not think were very good. But the name of the game in our society is that if a majority—51—believe it is a good bill, that becomes the bill that passes, no matter what McGEE thought. I have always been willing to run that risk and have that test.

The Senator from Wyoming would be derelict in his duty as the chairman of the committee not to offer the bill or to stop offering the bill. The bill has been reported, it is on the calendar of this body, and it is now the pending business. The ordinary procedure is that, after due respect for all those who have ideas to express about it, and to raise the amendments that seem to refine it, and make it more practicable, we would then vote it up or down. That is what I was asking the Senator about—whether we might have an up-and-down vote at some time, which we might agree upon, by limiting the debate on all amendments they want to throw in.

Mr. ALLEN. I state to the Senator that the Senator from Alabama is ready to vote right now on this amendment.

Mr. McGEE. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection to the amendments being considered en bloc? Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I desire to offer an amendment to the committee amendment.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. Is that in order at this time?

The PRESIDING OFFICER. Is there objection to the amendments being considered en bloc? Without objection, it is so ordered.

The Senator from Alabama may offer his amendment.

Mr. ALLEN. I offer an amendment, Mr. President, in line 22, on page 7, to strike the two words "at least," which would allow the distribution of these cards once every 2 years rather than at least once every 2 years, which would leave in the Administrator the discretion to send them out every year, if he saw fit. I offer that amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 7, line 22, strike the words "at least".

Mr. ALLEN. Mr. President, I would like to have the yeas and nays. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator suggests the absence of a quorum?

Mr. ALLEN. Obviously a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ALLEN. 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. ALLEN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on the Gurney amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it will be in order to order the yeas and nays on the Gurney amendment.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Gurney amendment.

The yeas and nays were ordered.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. What is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Alabama has offered an amendment to committee amendments Nos. 20, 21, and 22, being considered en bloc.

Mr. McGEE. Is it in order to proceed to vote on this amendment?

The PRESIDING OFFICER. It is in order to proceed to a vote on the amendment of the Senator from Alabama.

Mr. McGEE. Mr. President, we have yielded back our time.

The PRESIDING OFFICER. There is no time limitation.

The Chair will put the question.

The question is on agreeing to the amendments. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wisconsin (Mr. NELSON), the Senator from Rhode Island (Mr. PELL), and the the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK), and the Senator from Illinois (Mr. STEVENSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Nebraska (Mr. CURTIS), the Senator from Colorado (Mr. DOMINICK), and the Senator from Oregon (Mr. PACKWOOD) are absent on official business.

The Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Oklahoma (Mr. BELLMON), the Senators New York (Mr. BUCKLEY and Mr. JAVITS), the Senator from New Hampshire (Mr. COTTON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

The Senator from Oklahoma (Mr. BARTLETT) and the Senator from Maryland (Mr. MATHIAS) are detained on official business.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 27, nays 40, as follows:

[No. 99 Leg.]

YEAS—27

Aiken	Ervin	Scott, Pa.
Allen	Fannin	Scott, Va.
Beall	Griffin	Sparkman
Bennett	Gurney	Stafford
Byrd, Harry F., Jr.	Hansen	Stevens
Byrd, Robert C.	Helms	Talmadge
Dole	McClellan	Thurmond
Domenici	McClure	Tower
Eastland	Roth	
	Saxbe	

NAYS—40

Abourezk	Hughes	Pastore
Bayh	Humphrey	Pearson
Bentsen	Jackson	Percy
Bible	Magnuson	Proxmire
Biden	Mansfield	Randolph
Burdick	McGee	Ribicoff
Cannon	McGovern	Schweiker
Case	McIntyre	Symington
Church	Metcalf	Tunney
Cook	Mondale	Weicker
Fulbright	Montoya	Williams
Haskell	Moss	Young
Hathaway	Muskie	
Huddleston	Nunn	

NOT VOTING—33

Baker	Brock	Chiles
Bartlett	Brooke	Clark
Bellmon	Buckley	Cotton

Cranston	Hartke	Long
Curtis	Hatfield	Mathias
Dominick	Hollings	Nelson
Eagleton	Hruska	Packwood
Fong	Inouye	Pell
Goldwater	Javits	Stennis
Gravel	Johnston	Stevenson
Hart	Kennedy	Taft

So Mr. ALLEN's amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to these committee amendments en bloc.

Mr. GURNEY. Mr. President, I object to treating the amendments en bloc.

The PRESIDING OFFICER. The Chair will announce that the unanimous-consent request has already been granted for the amendments to be considered en bloc. It is too late at this stage to object.

The question is on agreeing to the amendments en bloc. [Putting the question.]

The amendments were agreed to en bloc.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. BIDEN) 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.)

VOTER REGISTRATION ACT

The Senate continued with the consideration of the bill (S. 352) to amend title 13, United States Code, to establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The legislative clerk read as follows:

On page 8, line 20, after "(b)", insert "(1)";

Mr. McGEE. Mr. President, we have an agreement to make the relevant adjustments in the wording between line 20, page 8, down through line 10, page 9. They are all on the same point and the same question. I ask unanimous consent that they be adopted en bloc.

Mr. GURNEY. Mr. President, I object to that request.

The PRESIDING OFFICER. The Senator from Wyoming is correct. There is a unanimous-consent agreement.

Mr. GURNEY. What are we on, (b)(1)?

Mr. ROBERT C. BYRD. 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. McGEE. 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. McGEE. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The question is on agreeing en bloc to the committee amendments from page 8, line 20, to page 9, line 10.

Mr. McGEE. Did I understand that they were adopted en bloc as in the preceding instance, and are now open to amendment by the Senator from Florida?

The PRESIDING OFFICER. There is unanimous consent to consider them en bloc. They have not been agreed to as yet. They are open to amendment from the floor in one degree.

Mr. GURNEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GURNEY. I have an amendment to this particular section. Is it in order now for me to submit that amendment?

The PRESIDING OFFICER. It is in order to submit it.

Mr. GURNEY. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 9, lines 7 through 10, in lieu of the language proposed to be inserted, insert the following:

"(2) Any individual who fulfills the requirements to be a qualified voter under State law and is or may be registered to vote under the provisions of this chapter may bring an action in any appropriate district court of the United States or the District of Columbia to enforce the provisions of this section. The district court shall have jurisdiction without regard to any amount in controversy."

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

Mr. GURNEY. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 1 hour on the pending amendment, the time to be equally divided between the sponsor of the amendment, the Senator from Florida (Mr. GURNEY) and the manager of the bill, the Senator from Wyoming (Mr. McGEE).

Mr. GURNEY. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. Mr. President, may we have order? We cannot hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GURNEY. I do not think I shall object, but I would like to have an understanding. I know there are a few Senators who wish to leave, and may be inconvenienced if we go too long on this amendment. I do not want to do that, but I would like some reassurance whether after the vote on this amendment perhaps we may not have any further business on this particular piece of legislation this afternoon.

Mr. MANSFIELD. This will be the last vote today.

Mr. GURNEY. I thank the majority leader. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Who yields time?

Mr. GURNEY. Mr. President, this particular section of the bill has to do, as the title says, with prevention of fraudulent registration. Certainly that is a very wise provision in this bill, because if I ever saw a barn door open to fraudulent registration of voters, it seems to me we have not only opened the barn doors here, but we have thrown them away. So, indeed, we need in this bill, in this section, to pay very close attention to fraudulent registration.

As a matter of fact, it is my hope that perhaps the bill never will be enacted at all. Perhaps the managers of the bill will see the wisdom of withdrawing it from consideration, at some future time, after we have had some more discussion on it, which I certainly think is helpful in illuminating the whole question of voter registration and elections in our country.

One of the things we have constantly been concerned with, ever since the founding of the Republic some 200 years ago, and ever since we began to have elections in this country, is fraudulent registration that has occurred or may occur. It is a pity, in a great democracy like this—and we often set up ourselves as a shining example of what other people ought to do—that insofar as conducting our elections is concerned, and making sure every individual in this country has the opportunity to say yea or nay on the candidates of his choice. nonetheless, we have had many glaring examples of fraud and corruption in election battles throughout the years.

As a matter of fact, the present incumbent in the White House probably had to wait 8 years longer than he might otherwise have had to wait, because of the election back in 1960 between him and the late President Kennedy. It is a well recorded fact of history that there were election frauds, during that election, that occurred in several of our States. In fact, without identifying the particular State, because I do not want to single out one State or embarrass it, here is an interesting piece of election history:

The day that President Kennedy was assassinated, I was on a plane going to San Juan, Puerto Rico, with several other Members of the House of Representatives. We were going as a part of the Space Committee business of the House of Representatives, of which I was then a member, before I came to the Senate.

We stopped for lunch that day at Patrick Air Force Base in Florida, and it was there that we learned of the very tragic occurrence on that particular day, the assassination of a very popular and very beloved President of the United States.

The point that I want to bring to mind is not that tragic event; it just happened that it occurred during the trip that I was on. Rather, I wish to describe something I was told regarding some of the

electioneering that occurred during the Kennedy-Nixon election.

One of the Representatives from one of the larger States in our Nation, where it has always been subject to question who really won in that Kennedy-Nixon election, whether President Kennedy or President Nixon, described to us on that plane his participation in that particular election.

It seems that he was in charge of several precincts in one of the larger cities of the particular State. He had been charged with producing a certain percentage of the vote on election day. I do not recall now the percentage of the vote that he was supposed to turn in, but say it was 70 percent, to use a figure. As the day went on, as he told us on the plane, the voting in other parts of the State was extremely heavy, heavier than usual. These were from Republican areas of the State. His, of course, was a Democratic area. He received a call from whoever was in charge of the vote-gathering operation late in the afternoon, and the subject of the telephone call was, "Your quota has now been raised from 70 percent to 90 percent."

Again I am using this figure as a hypothetical figure, to illustrate the problem, because I do not recall the precise percentages involved. That is not important, but the illustration is important. Instead of producing the 70 percent, he told the Congressmen present, including me, he turned in his percentage of 90 percent, for the particular block of precincts that he was in charge of for that particular city.

As I say, that is a very interesting incident in the politics of elections and government in the United States. It actually happened. I heard it from the lips of one of those in charge of this particular vote fraud and vote stealing that day. It is of enormous credit to the incumbent President of the United States, who was urged by many of his people to challenge the election, which people thought might have been overthrown, that he said "no." He refused to do that, because it would have precipitated a constitutional crisis which we could not afford neither in this Nation nor in the world—which was a troubled world at that time.

I give this illustration simply to point out that there are frauds in elections in the United States. I do not believe they are the monopoly of any one party, or of any one group or of any one particular political persuasion. I also am optimistic enough to think that th[illegible]re getting fewer and fewer over the years, although they used to be frequent perhaps 100 years ago when we had political machines in all the large cities of this country in all political parties, and when fraud was a commonplace thing and not the exception.

But frauds do exist. When they do occur, sometimes the candidate who should have won the election has it stolen from him, and some candidate who should have lost becomes the elected candidate and assumes the public office, whatever it may be. Perhaps wholesale vote frauds are a thing of the past, but I do think the occasion still exists where certain numbers of vote frauds do go on.

I recall another incident, and again I will withhold the name of the State because I do not want to embarrass any particular State, but the only reason I remember this one is that it occurred to a classmate of mine who went to law school with me some years ago. He was one of the most brilliant members of the class. He ranked No. 2, 3, or 4 in the class, as I recall.

He came down to Washington during the New Deal days and filled several important posts as an attorney for various organizations. As a matter of fact, before he became a practicing lawyer he was the law clerk of an eminent Justice of the Supreme Court. I recall that when he left Washington some years ago, in the 1950's or early 1960's, I was astounded, appalled, and certainly ashamed and sorry to read, when I picked up the newspaper one day, that he had been caught stuffing ballot boxes in his particular State in a very important election in that State. He was later indicted and convicted.

I have often wondered why he did it, because he certainly had no need to do so. He was a most successful individual not only economically in his chosen field but also in the political field.

But these things do exist, these frauds in elections and corruption in elections. So, as I say, it is indeed extremely important that we have in this particular bill this provision, section 407 on pages 8 and 9, to do something about the prevention of fraudulent registration.

Subsection (a) provides:

> In addition to taking any appropriate action under State law, whenever a State official has reason to believe that individuals who are not qualified electors are attempting to register to vote under the provisions of this chapter, he may notify the Administration and request its assistance to prevent fraudulent registration. The Administration shall give such reasonable and expeditious assistance as it deems appropriate in such cases, and shall issue a report on its findings.

That takes care of the State, the State official who may discover that there has been fraud and wants to do something about it. I suspect, particularly, that it might be a supervisor of voter registration who might suspect, in the post cards that came in, that there was a possibility of fraud. Perhaps it might have been noticed at the polling booth itself when some people who had registered by post card came in to vote.

At any rate, this covers what the State may do.

Then subsection (b)(1) goes on to provide that:

> Whenever the Administration or a State official determines that there is a pattern of fraudulent registration, attempted fraudulent registration, or any activity on the part of any individuals or groups of individuals to register individuals to vote who are not qualified electors, the Administration or a State official may request the Attorney General to bring action under this section. The Attorney General is authorized to bring a civil action in any appropriate district court of the United States or the United States District Court for the District of Columbia . . .

Then it also goes on, in subsection (2), to state:

> The district court of the United States or the United States District Court of the District of Columbia shall have jurisdiction without regard to any amount in controversy, . . .

I think that this is a fine thing but I do not think it goes far enough. If we take a look at the sections that I have just read here, it would permit a State official who is concerned that there has been fraudulent registration, to render a protest and to bring this to the attention of the Attorney General. The Bureau of the Census, the so-called administration, which is the name given to it under the bill, can also do that and say to the Attorney General, "There has been wrongdoing here and we want you to bring a civil suit to stop it."

But it occurs to me that perhaps neither one of these people, neither the State official nor the administration, may want to inspire the Attorney General to bring an action.

Let me give an illustration why this may be so.

Suppose we have an administration in power that may want to indulge in some corrupt and fraudulent activities so far as voter registration is concerned. Let us suppose, further, that they want to do it in a State where many State officials are of the same political persuasion that they may be. It seems to me that neither the administration, which has the opportunity and the right under this section to ask the Attorney General to do something about it, nor the State official down below, would have much motivation to want to correct the fraudulent activity that went on, because in the examples that we give, they are the people who would be up to the fraudulent activity and would want to benefit from it.

Let us take another example of how this might be able to happen. I notice here in another part of the bill, page 4, section 403, subsection (2), that the administration, the people who will run the voter registration, are given under this section which describes the powers and the duties, the duty and the power to "collect, analyze, and arrange for the publication and sale by the Government Printing Office of information concerning elections in the United States."

That is a pretty broad power. As a matter of fact, under that power, I can see where the administration can employ a great many experts in the matter of voting patterns and elections in this country. We are making more sophisticated all the time the election process in the United States. Some of the people in the business now are able to identify almost anyone or any one group of people and how they are likely to vote.

It is so sophisticated that they can tell us within almost a fraction of a percentage point how a certain group of farmers will vote on a certain issue or for a Federal political candidate. They can tell us how a veterans group may vote. They can even tell us how house painters will vote, or however people in various categories of occupations vote in this country.

The reason why they are able to do that is that these analyses have been

made again and again and again in every election we go through. We have a voting pattern of the people of the United States now, and we do know how certain people are going to vote in certain elections, and this we can predict. Those of us who are careful and cautious about our elections make pretty sure as we go into an election that we know whether we are ahead or not. We take opinion polls to find out how a certain group of people feel about a particular candidate and why they feel that way about him. If they do not like the way he parts his hair, the candidate may decide to part it another way. If it is too short, perhaps he may decide it is a better idea to wear it a little longer. If it is too long, he may decide to cut it a little shorter.

The point is that people have very definite feelings now as to how they are going to vote and how they view political candidates.

Under this particular section of the bill, the administration within the Bureau of the Census can collect, analyze, and arrange the publication and sale of information concerning elections in the United States. To me, that gives them power to do almost anything so far as collecting information about political elections in the country is concerned.

Suppose they did that. Suppose they get all the expertise they can in the Bureau of the Census, so far as the voter registration section is concerned, and gather every particle of information they can discover regarding the voting patterns and the voting habits of Americans in general, regardless of where they live, whatever their age group, or whatever their occupation.

Then, suppose they single out a congressional seat somewhere in the State of Florida, or perhaps in the State of Wyoming or any other State in the United States, where they want to upset an incumbent, a Representative who may be of a different political party from that of the people who are in command of the White House at that time. It would be the easiest thing in the world for somebody who really was corrupt—not necessarily speaking of the President or anybody like that; I am just speaking of somebody in the administration, any administration, who may have a good deal of power—to go over to the people in the Census Bureau who run these elections and say, "Give me all the information on Congressional District X in the State of Florida." The administration would pull out all that data that they had been able to gather over the years on that particular congressional district.

I might remind the Members of the Senate that elections occur in the House of Representatives much more frequently than they do in the Senate. We run every 6 years. There is a considerable change in our electorate in 6 years. But in the House of Representatives, where they run every 2 years, they are pretty current on the voting patterns and the people who reside in the congressional districts, unless we are talking about a very rapidly changing congressional district.

So, with all the data that come out of the collection by this administration, if we go ahead with the horrendous bill that is before the Senate, they could take that information and give it to the candidate who is running for Congress in X Congressional District in the State of Florida.

He could take a piece of information, for example, that said that in a certain geographical area, encompassing perhaps 10 city blocks or so, the people usually vote for the political party and the candidates of the political party to which the challenger of the incumbent belongs. The data might also show that the people do not turn out in very good strength in that particular block in that congressional area—let us say it encompasses 10,000 votes—that the people are not very interested in voting, and that in past elections perhaps only 30, 35, or 40 percent of the people had turned out to vote. That is not an unusual number, either. Sometimes it is less than that.

The person who has this refined data of these voting patterns can take that data, get up a mail operation, and saturate that particular part of that congressional district with his propaganda, and he can slant it in the way that usually appeals to those people. They may be interested in lower meat prices; they may be interested in more health benefits; they may be interested in a variety of political issues that he is able to ascertain from this data which he is able to get from the administration, the voter administration in Washington, where they have all this information.

So, taking that information, he can zero in on that particular area of 10,000 votes with his propaganda and make his pitch: "Vote for me, because if you vote for me, I'll make sure you get better health benefits," if that is what they are interested in. Or, if they are interested in stronger law and order, he can say: "When I get to Congress, I'll offer a lot of bills that will strike down hard on law and order and perhaps enact stiffer penalties for drug pushers." Perhaps it is a high drug area or something like that.

So as his mailing propaganda goes into that particular section of that election district—those 10,000 votes—if he makes enough input in that area and puts enough propaganda in there, every one of us who has anything to do with politics knows that instead of a 30-percent turnout, which that area usually turns out and which has been the practice in pust political elections, it will go up—and it will go up in direct proportion to the amount of political activity that candidate for public office puts in there. It may go up to 60 percent, twice as many votes as before. It may be that in a closely contested election, the additional few thousand votes turned out in that particular area may swing that election.

How could he use the information in other ways? There are other ways in which he could use such information. As we all know, in every election area, whether it is a congressional district or a municipal election or a Statewide election, certain areas will vote very strongly for one political party. Sometimes it is as much as 90 percent.

My home town in Florida is a very strong Republican area. It is one of the strongest areas in the State. It turns out a Republican vote—I cannot recall the exact figures—as high as 80 percent, perhaps higher. Other parts of my county are different. I recall that in one precinct in the Goldwater election, when I was running, GOLDWATER got 9 votes out of an election precinct of 1500. I received 90. I thought I was doing a pretty good job because I got 90 votes in that 1500-vote precinct.

It illustrates that that particular precinct goes almost overwhelmingly Democratic, somewhere between 95 percent and 99 percent. Those areas can be identified, too, with the data that will go into this central place in Washington.

Now, then, how can that information be used? So far as the person is concerned who is campaigning and happens to be of a political persuasion that turns out the 90 percent, he will zero in heavily on that area so he will motivate his people to come out to vote. But it is also very important to the person who does not expect many votes from that area. The reason why it is important to him is that he can save his money and his time by not fooling around with that particular area if he knows where it is.

If he knows it is going to vote 90 or 95 percent for his opponent, for the political party on the other side, he will not spend one thin dime sending any of his political propaganda in there because if he does, in all probability it will stir up those people to come out and vote against him and not for him. The point is that he can save his money, husband it, and spend it carefully, and put it in an area where it will do him the most good.

This is the insidious, vicious tool that this kind of operation can furnish to unscrupulous political people. As I said earlier in my argument, I do not want to give the impression that politicians and political operations in this country are all that corrupt. They are not. It is not the rule, and we all know that. Yet we also know that sometimes the exception of vote fraud occurs, enough to swing an election, enough to propel some candidates into office who should have been defeated and enough to defeat some candidates who should be in public office.

This is the reason I say that this section of the bill that deals with fraud is an extremely good section. I am totally for it if we are going to pass this bill, which I hope we do not do since we do not need it. But if we do, I think it should be expanded to include the right of individuals to also bring suits for fraud.

Again I remind Senators that my amendment states:

> Any individual who fulfills the requirements to be a qualified voter under State law and is or may be registered to vote under the provisions of this chapter may bring an action in any appropriate district court of the United States or the District of Columbia to enforce the provisions of this section. The district court shall have jurisdiction without regard to any amount in controversy.

The reason why that is in there is to provide for action in the case in which

a State official or a Federal official may have his hand in any corruption that may go on in a political election around the United States and is not motivated to advise the Attorney General of the corruption. In this situation it is extremely important that we have the provision.

I think we should have in the bill the right of an individual also to enforce this section so we can tighten up the fraudulent part of it to make sure that anybody who has a direct interest in preventing fraud under the bill, and this fraud sometimes is going to occur, will be able to have the fullest remedy in the courts of the United States.

I hope the Senate will approve the amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, I yield myself such time as I may require. May I ask the time situation?

The PRESIDING OFFICER. The Senator from Wyoming has 30 minutes and the Senator from Florida has 1 minute.

Mr. McGEE. Mr. President, I oppose the well-intended amendment, which does have a certain appeal on the surface. The reason for the limitation in the committee amendment is that it restricts the responsibility for the decision on fraud and suits for fraud to the responsibility of elected or appointed authorities under the law, the county clerk or the secretary of state or the registrar of elections, whatever it may be. We felt in placing that in the bill that this would make it orderly and responsible. It is my concern that the amendment by my friend from Florida would really open the door to mischief. It could produce a mass of harassment in the courts.

Any citizen, whether he is an interested party or not could be given standing before the court. For that simple reason the authority for that status before the court should be reserved for the proper authorities, namely, the county or State individuals involved; or decisions by Governors themselves, after being appealed to by some State official for assistance because of fraud.

Mr. President, because of the concern of many Senators on a number of matters, I am prepared to yield back the remainder of my time.

Mr. GURNEY. Mr. President, I should like to pose a question to the Senator from Wyoming. We give individuals enormous rights under the Civil Rights Acts that have been passed during the last several years. They may pursue individual grievances. Why should they not do so under the Voting Rights Act?

Mr. McGEE. This is not a voting rights act; it is simply a registration process. The difference is that under the Civil Rights Act, the action has to do with an individual grievance that is expressed.

The Senator's proposal would be extended to all citizens—open end, as it were—and they would have unlimited standing to sue. They would not be an interested party before the court. We do believe that a registrar, a county clerk, or a secretary of State—they are properly selected officials—should make the judgment.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the amendment of the Senator from Florida. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from Colorado (Mr. HASKELL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Wisconsin (Mr. NELSON), the Senator from Illinois (Mr. STEVENSON), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Louisiana (Mr. LONG) is absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

I further announce that, if present and voting, the Senator from Iowa (Mr. CLARK) and the Senator from Illinois (Mr. STEVENSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) is absent by leave of the Senate on official business.

The Senator from Nebraska (Mr. CURTIS), the Senator from Colorado (Mr. DOMINICK), and the Senator from Oregon (Mr. PACKWOOD) are absent on official business.

The Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Oklahoma (Mr. BELLMON), the Senators from New York (Mr. BUCKLEY and Mr. JAVITS), the Senator from New Hampshire (Mr. COTTON), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

If present and voting, the Senators from Nebraska (Mr. CURTIS and Mr. HRUSKA), the Senator from Hawaii (Mr. FONG), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 32, nays 37, as follows:

[No. 100 Leg.]

YEAS—32

Aiken	Eastland	Roth
Allen	Ervin	Saxbe
Bartlett	Fannin	Scott, Pa.
Beall	Griffin	Scott, Va.
Bennett	Gurney	Sparkman
Byrd, Harry F., Jr.	Hansen	Stafford
	Helms	Stevens
Byrd, Robert C.	McClellan	Talmadge
Cook	McClure	Thurmond
Dole	Nunn	Tower
Domenici	Percy	Young

NAYS—37

Abourezk	Hughes	Muskie
Bayh	Humphrey	Pastore
Bentsen	Jackson	Pearson
Bible	Magnuson	Pell
Biden	Mansfield	Proxmire
Burdick	Mathias	Randolph
Cannon	McGee	Ribicoff
Case	McGovern	Schweiker
Church	McIntyre	Symington
Fulbright	Metcalf	Tunney
Hart	Mondale	Weicker
Hathaway	Montoya	
Huddleston	Moss	

NOT VOTING—31

Baker	Eagleton	Johnston
Bellmon	Fong	Kennedy
Brock	Goldwater	Long
Brooke	Gravel	Nelson
Buckley	Hartke	Packwood
Chiles	Haskell	Stennis
Clark	Hatfield	Stevenson
Cotton	Hollings	Taft
Cranston	Hruska	Williams
Curtis	Inouye	
Dominick	Javits	

So Mr. GURNEY's amendment to the committee amendments was rejected.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on committee amendments 23 to 25 en bloc. [Putting the question.]

The amendments were agreed to en bloc.

The PRESIDING OFFICER. The clerk will report the next committee amendment.

The assistant legislative clerk read as follows:

On page 10, beginning on line 24, after the word "this", strike out "chapter." and insert "chapter. Such regulations may exclude a State from the provisions of this chapter if that State does not require a qualified applicant to register prior to the date of a Federal election."

The PRESIDING OFFICER. The question is on agreeing to the amendment. [Putting the question.]

The amendment was agreed to.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, that concludes the substantive business for today. We will be in session a little longer, but there will be no further votes. We will be in session for the purpose of allowing Members to make speeches, introduce bills, and the like.

REMOVAL OF INJUNCTION OF SECRECY FROM THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA (EX. H, 93D CONG., 1ST SESS.)

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed at Washington on March 3, 1973—Executive H, 93d Congress, first session—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 is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed at Washington on March 3, 1973. The report of the Department of State is enclosed for the information of the Senate. This Convention is designed to establish a system by which States may strictly control the international trade in specimens of species in danger of becoming extinct and monitor the trade in specimens of species which, because of present or potential trade in them, might be expected to become endangered.

The international community has realized that steps must be taken to halt the rapid depletion of wildlife. The present Convention constitutes a major step in this direction. I strongly recommend that the Senate give prompt consideration to this Convention and consent to its ratification.

RICHARD M. NIXON.

THE WHITE HOUSE, *April 13, 1973.*

TRIBUTE TO SECRETARY OF SENATE ON FULFILLMENT OF DUTIES UNDER FEDERAL ELECTION CAMPAIGN ACT

Mr. MANSFIELD. Mr. President, April 7 marked the first anniversary of the Federal Election Campaign Act. The act has resulted in the disclosure of vast amounts of information on the financing of elections which heretofore did not see the light of day. The law has great virtue in that it is designed to strengthen public awareness of certain pertinent facts of political campaigns and, hence, strengthen the democratic process. It is a law in a much needed area of the American political process even though compliance with it does put an extra burden on candidates and the participating public.

The job of administering the act, as might be expected, is a staggering one. On this point, the Senate has particular cause for satisfaction. The act specified that the administrative burden was to be shared three ways between the Comptroller General as to Presidential elections, the Clerk of the House as to House elections, and the Secretary of the Senate as to Senate elections. The Secretary of the Senate was brought into the situation belatedly in the legislative process, one might say almost as an afterthought. Nevertheless, I want to report to the Senate today that as far as the Senate is concerned, his office has carried out its part in this difficult undertaking in an outstanding fashion. The performance has been characterized by scrupulous impartiality, fairness, and dispatch. I might note the Secretary's office has also operated with great efficiency, staying within, by far, the smallest budget of the administering agencies, while at the same time processing 10,506 reports amounting to 81,284 pages in the first year.

So I want to express my commendation to Hon. Frank Valeo, the Secretary of the Senate, and to his excellent staff for their outstanding work in connection with the first year of operation under the Federal Election Campaign Act which has reflected very favorably on the Senate. I especially wish to make public notice of their contribution at this time because the press often finds little news in a job well done, although it is quick to make news, quite properly, of jobs done poorly.

Mr. President, yesterday, April 12, Mr. Valeo presented an extensive statement before the Senate Subcommittee on Privileges and Elections, in which he reported on the first year's performance under the act and also made a number of proposals for statutory revision. I ask unanimous consent that his statement be printed in the RECORD at this point, along with two press releases dealing with implementation and enforcement of the act.

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

STATEMENT OF FRANCIS R. VALEO, SECRETARY OF THE SENATE, BEFORE THE SENATE SUBCOMMITTEE ON PRIVILEGES AND ELECTIONS, APRIL 12, 1973

Mr. Chairman, Members of the Subcommittee, I appreciate this opportunity to appear here today to discuss the Federal Election Campaign Act. The administration of Title III of the Act has been a major concern of the Office of the Secretary for the past fourteen months, and we have built up a considerable body of experience which I hope may be of some assistance to this Subcommittee as it considers refinements and revisions in the law.

I might note at the outset, Mr. Chairman, that we have described the administrative machinery in the Senate elections in a Technical Report, copies of which are before you and which I ask that you incorporate by reference into the record of this hearing. The Technical Report sets forth the preparation and distribution of report forms and the provision for public display and reproduction of reports by microfilm, with a computerized indexing system providing cross-referencing as required by the Act. As of the close of business last Friday, April 6, which was the end of the first year of operations under the Act, we had received and processed for Senate elections, 10,506 reports and registrations, amounting to 81,284 pages. Technical implementation of the Act in the Senate was accomplished with the assistance of the Subcommittee on Computer Services of the Committee on Rules. The whole system was designed and brought into being in 60 days and I am proud of the fact that it has worked very effectively since the beginning. If it would be helpful to your deliberations, I would urge the Members of the Subcommittee and its staff to inspect the operation of the Public Records Office of the Secretary of the Senate which is located in Rooms ST–45, and ST–2 and 4 of the Capitol. You might be interested in the fact that we are operating the whole system for Senate elections well within the budget of $228,000. The system is economical and it is highly effective.

In overall terms, Mr. Chairman, it seems to me that the Federal Election Campaign Act has gone a long way toward opening to public visibility the financial roots of American politics. Vast amounts of information have been disclosed and made available promptly for public consumption. Insofar as Senate elections are concerned, by and large, compliance with the disclosure provisions of the law has been very good, notwithstanding some statistics which I shall give you shortly with respect to enforcement.

To be sure, there have been some problems and ambiguities, and the purpose of my testimony today is to call your attention to these problem areas and to recommend certain changes in the law which are suggested by our first year's experience.

I realize, Mr. Chairman, that you have several bills pending which relate to the electoral process, but it seems appropriate that I comment only on those that have bearing on my present responsibilities as Supervisory Officer of Senate elections with respect to financial disclosure. If I may, I would like to make my comments on the pending bills in the context of an overall review of Title III of the Federal Election Campaign Act as it now stands. My review will proceed more or less on a section by section basis.

The Supervisory Officers (Sec. 301 and Sec. 308).

I would first like to address myself to the problems posed by the present system of three co-equal Supervisory Officers as provided by Section 301(g) of the Act. Specific duties of *each* Supervisory Officer are spelled out in Section 308 but nowhere in the Act is there any explicit directions as to the relationship *between* the three.

Nevertheless, the three Supervisory Officers concluded at the outset that there had to be a very intimate relationship because all are charged with administering the same provisions of law. The closest possible collaboration seemed essential to assure uniform interpretation and application of the law and minimize confusion for the hundreds of candidates and committees required to report.

Accordingly, representatives of my office were instructed to work closely and continuously with representatives of the Clerk of the House of Representatives and the Comptroller General to develop standard reporting forms and uniform regulations. They were directed to pursue a separate course only if and when our interpretation of the full responsibilities of the Secretary of the Senate, under the law, might make that imperative. It was not an easy process but I can report to you that cooperation was excellent and a genuine sense of collaboration emerged; there was input into the deliberations from all three sources.

The Committee might wish to consider in its revisions of the Act, that this ad hoc and informal system of cooperative uniformity between the three Supervisory Officers be given firm legal standing by inserting a new paragraph in Section 308 which would direct the three supervisors to act jointly to assure standardization and to eliminate duplication and, by vote, if necessary.

One of the first consequences of such a provision might be to eliminate the necessity for the filing of identical reports with the three Supervisory Officers by nationwide or interstate committees which support candidates for all three offices, the Presidency, the Senate and the House.

The present arrangement of three co-equal Supervisory Officers is cumbersome in many respects. I would point out, however, that some of the worst fears expressed for the system have not materialized in any way, shape or form. You will recall, I am sure, press comments which suggested that the Secretary of the Senate, as an elected officer of the Senate, could not effectively enforce disclosure of financing for Senate elections. My own view is that such fears are grounded in a rather archaic view of the government and of

the political process. My experience has been that when an officer of the Senate has a stated legal responsibility to fulfill, the membership will unhesitatingly honor his authority.

In the case of the Federal Election Campaign Act, the stated statutory responsibilities of the Secretary and the requirements imposed on the Members are spelled out with far greater clarity than ever before. We have gone to some lengths to assert that the Secretary of the Senate has legal responsibilities as Supervisory Officer and the Leadership and the Membership of the Senate has responded accordingly. I can state for the record and without reservation that neither I nor any member of my staff has been subjected to any improper requests or any pressures or threats to compromise or in any way limit the application of the law.

We have accordingly been able to do our part in enforcing the Act in an even-handed way, without regard to incumbency or party affiliation. So far we have made 565 referrals to the Department of Justice for non-compliance or lateness. I will say, frankly, that I am not fully satisfied that all of them were significant violations, but I will make a specific recommendation on this point at a subsequent point in my testimony.

In addition to providing even-handed enforcement, my office has also been able to give prompt and helpful guidance to persons attempting to comply with the law. I think there are grounds for asserting that such advice has been more effective because it originates from a legally authorized Senate officer directly conversant with the electoral process than it might be from another source.

I cite these details, Mr. Chairman, because I believe the record should show clearly that the Senate, and specifically the Office of the Secretary, has carried out its responsibilities, fully, under the law. I appreciate the arguments in favor of consolidation, whether under a commission as proposed by Senators Scott, Mathias and Stevenson, or by any other means. I do not oppose the principle of consolidation as such, particularly to the extent that it will ease the burden of the participating public and further the objective of disclosure. I reject, however, any presumption that an appointed board is more to be trusted than an elected officer of the Senate. Insofar as the Senate is concerned, if modifications in the direction of consolidation are to be made, they should be made to achieve these positive goals and not because of preconceived and presumptuous notions as to the reluctance of the Senate to insure the integrity of the electoral process with respect to the enforcement of the Federal Election Campaign Act.

The Senate's institutional stake in the effective enforcement of this law is as high as that of the Presidency and the House and it has acted accordingly. That will continue to be the case. Therefore, if the Commission concept proposed in the Scott bill (S. 1094) were to be adopted, I would recommend that two revisions be made in the bill. One would be to broaden the appointing authority as set forth in Section 2(a) of the bill to provide that two members of the Commission be nominated by the Presiding Officer of the Senate, on the recommendation of the Majority and Minority Leaders, two by the Speaker of the House and two by the President of the United States. As it now stands, the Scott bill would provide only for Presidential appointments to the proposed Commission. The national experience with Commissions whether at the State or Federal level, as the Committee well knows, has not been a uniformly happy one. Commissions have displayed their share of corruptability, ineptitude and unresponsiveness to public needs. In the circumstances, it seems to me, therefore, that if the Commission route is to be followed, the Senate had best keep a close contact with it by assuming a share of the appointing power at least during the initial period of its development.

I refer, again, to the possibility of what amounts to an interim stage of consolidation, short of a Commission, in which the three Supervisory Officers would be directed by law to work in concert to insure uniformity of practices. All three elective bodies would be represented in that case, with the Comptroller General speaking for the Presidency, from which his appointment is derived, and the elected Clerk of the House and the elected Secretary of the Senate representing the concerns of their respective institutions. Under these arrangements, the administrative experiences and practices of the three bodies, not to speak of their cost-effectiveness, might be accumulated and compared as a guide for further consolidations in the future.

Mr. Chairman, the rest of my statement concerns a number of technical points in the Act which appear to need clarification regardless of whether future administration of the Act remains in the hands of the present Supervisory Officers or is assigned to a separate agency.

The Question of Candidate Status (Sec. 301).

I would like to call your attention to the problem of the definition of a candidate. Section 301(b) of the Act defines a candidate as an individual who has either taken action under State law to qualify himself as a candidate or who has received contributions or made expenditures, or authorized others to do so, with a view to bringing about his nomination or election.

The essential point here is that the second part of this definition is extremely broad insofar as it quite properly makes a person a candidate for disclosure purposes as soon as he begins advance fund-raising for a campaign. This step may occur—and frequently does occur—long before he makes formal declaration of candidacy or even a final decision as to whether or not to run. An initial fund raising venture which is not successful may, in fact, tip the decision against running.

Thus we are now carrying in our candidate index the names of many incumbent Senators whose terms may have as many as five years yet remaining, but who have been listed as the recipients of payments and benefits from their respective party campaign committees, or who have authorized advance, or continuous, fund raising activities. Undoubtedly, there are men and women in the States contemplating running against these incumbents and who may have had offers of financial assistance to that end but who will not make a final decision to become a candidate until a later date. They are candidates for the purposes of this Act nonetheless if funds have been received.

Recently, a group of incumbent Senators who may be candidates in 1974, have raised questions about the legal implications of these disclosure requirements. If, by virtue of having initiated fund raising activities or fund raising activities having been initiated on their behalf, they have attained the status of a "candidate" for disclosure purposes under the definition of Sec. 301(b), are they also "candidates" as far as other requirements of law are concerned? Are they, for example, "candidates" under the Equal Time provision of the Communications Act or under the media limitations of Title I of the Federal Election Campaign Act? Are they "candidates" with respect to whatever restrictions may appear to attach to their mailing privileges as a result of recent court cases?

After a careful review of several of the statutes involved, my office has tentatively concluded that it is possible for a person to be considered a "candidate" for disclosure purposes under Title III of the Federal Election Campaign Act without implicating himself as a formally declared candidate—subject to requirements of other laws. We have prepared and circulated a Draft Memorandum to this effect, and I submit a copy for the record of this hearing.

While these guidelines represent quite broad concurrence on the part of many different authorities, it seems to me that the matter should be further clarified by simple statutory revision. One possibility would be to broaden the definition in Sec. 301(b) to describe as a "prospective candidate" a person who may be authorizing or undertaking advance political fund raising or political expenditures prior to formal declaration of candidacy. Sec. 304(a) should then be amended to provide that "prospective candidates" have the same reporting responsibilities as "candidates".

You may wish to note also that the definition of "candidate" as presently construed, appears to apply retrospectively as well as prospectively. That is, a person who is paying off debts from a past election, or authorizing others to do so, appears to fall under the disclosure requirements of the Act for as long as receipts or expenditures are made to retire debts of a past election.

Different Kinds of Political Committees (Sec. 301).

Next, I would like to suggest some new distinctions in the definition and reporting requirements with respect to political committees.

The definition of "political committee" in Sec. 301(d) applies without differentiation to all groups which accept contributions or make expenditures in excess of $1,000 to influence a federal election.

While there is no question that all such committees should make full disclosure, there is considerable evidence on the basis of the first year's experience to suggest that there are different categories of committees fulfilling different roles and that the reporting requirements should be adjusted accordingly. My first suggestion is that the differences be acknowledged in the definition, by amendment of Sec. 301(d).

A basic distinction should be made between committees which are organized to support a single candidate, which might be designated as Class A committees, and those that support several candidates which might be designated as Class B committees.

It became apparent in 1972 that committees in the proposed Class B category, that is, those that supported several candidates, were subjected to unfair and unduly burdensome reporting requirements. A large labor union political fund or corporate political action committee, for example, which supported Senate candidates in several of the 33 States in which there could have been primary, run-off or convention contests for Senate seats, would have been required to report twice just before each such preliminary contest regardless of how recently they had filed a prior report. In 1972, dozens of committees in this category did file such reports continuously and conscientiously, even though it required them to close their books at frequent, brief and irregular intervals. I submit for the record in this connection a schedule of reporting dates in connection with each Senate nominating contest in the various States.

I suggest, Mr. Chairman, that committees which I have proposed to designate as Class B, that is, those supporting several candidates, be authorized to report on a monthly basis during an election year, and periodically on off-years. (They would, of course, be expected to report before a general election, as well.) Provision for this arrangement could be made by an appropriate amendment to Sec. 304(c).

I note, Mr. Chairman, that the Scott bill (S. 1094) makes provision for such an alternate reporting schedule in Sec. 4(4), and I support in general the concept embodied therein. The difference is that Senator Scott's provision would become effective only upon request of the committee involved, whereas mine would be automatic for any committee which meets the terms of the proposed revised definition—that is any committee supporting more than one candidate in a given year would go on a monthly reporting schedule. I might note a slight variance in the test for relief: The Scott bill would permit monthly reporting for committees operating in more than one *State*; my proposal would provide such relief for committees supporting more than one *candidate*. Our experience has been that, as far as the Senate is concerned, a committee supporting one candidate may occasionally operate in more than one State, but that it is the committee which supports several different candidates in different States which entails the most burdensome requirements.

I fully realize that you must take into account the dynamics of the Presidential primaries as well as Congressional contests and that you may wish to combine these two criteria; that is, you may conclude that eligibility for an alternative reporting schedule should be based on both the State and candidate criteria.

CENTRAL CAMPAIGN COMMITTEES

A related matter which should be discussed at this point is the problem of obtaining centralized disclosure for each candidate. As the law now operates, all political committees are co-equal and have identical reporting responsibilities, whether they handle final transactions for a single candidate, or whether they operate as a collection arm for a given candidate or as a national collection agent for a certain interest group. It is perfectly possible—and sometimes it did occur in the 1972 Senate races—that several different committees may make final expenditures on behalf of a single candidate. In the Senate Public Records Office, a common link between these expenditures is provided through the computerized cross indexes which list on a daily basis all the committees reporting on behalf of each candidate. But it is difficult, at best, under the present structure of the law to get a clear overall picture of the finances of campaigns managed by more than one committee. In some cases, it will not be known until the completion of a final audit later this year whether the media allowances or personal spending limits assigned to the candidates involved may have been exceeded.

A solution, Mr. Chairman, and, to be sure, it would be a major change, would be a requirement in law that each candidate designate one committee as the central expenditure committee and that all expenditures be made through and reported by that committee, including any made by the candidate himself. Senator Scott's bill makes such a provision as part of the proposed new sections under Sec. 2 on Page 7 of S. 1094.

The language of S. 1094 appears to require that *all* subsidiary committees report not only their expenditures but also their receipts through the central compaign committee of the candidate. I can see no problem with this language insofar as it might pertain, for example, to a county committee or a special committee of professional people organized to support a particular candidate whose collections could be centrally reported. But what of the receipts of a multi-candidate committee, such as the National Committee for an Effective Congress, which might make a substantial contribution to the particular candidate? The recipient candidate's central committee can hardly be held responsible for reporting all the commingled receipts of the contributing national committee. Here the transfer mechanism would still be in effect, and with one important exception, the ultimate source of the funds would be disclosed in the reports of the national, multi-candidate committee, which fall in the proposed Class B category.

The one important exception would be that in the event a transfer had been *earmaked* for the recipient candidate by a donor to the national multi-candidate committee, the recipient candidate's central committee report the amount of the earmarked contribution and the full identity of the original contributor.

I might note, Mr. Chairman, that the supervisory officers are contemplating a regulation which would require such disclosure of earmarked contributions. But I would suggest, if the language of S. 1094 is adjusted with respect to central campaign committees, that it be appropriately modified to take into account the status of national, multi-candidate committees of the proposed Class B variety.

A final note with respect to central campaign committees is that they would be absolutely essential to the enforcement of any overall limitation on campaign spending as contemplated by Senator Pastore's bill S. 372. Without an explicit requirement for centralized accounting and reporting for each campaign, the enforcement of an overall limitation would be cumbersome in the extreme—if not impossible. And I might just add that the candidate himself would find that such centralization would be essential to keeping his expenditures within the proposed limits.

SEMANTIC CLARIFICATION OF THE WORDS "STATEMENTS" AND "REPORTS"

Next I would like to call your attention to a simple semantic problem which should be corrected either by inserting a new definition or making minor amendments at various places in Title III. The problem is that the word "statement" as used in Title III appears to have variable meaning, and the exact intent of the Act is thus not clear for those who must administer it.

The word first appears in Sec. 303, which requires each political committee to file a a "statement of organization", which is very clearly defined therein to mean a detailed list of information constituting the initial registration of each committee. The data required is organizational information—such as the name and address of offices—and has nothing to do with the financial data required in reports of receipts and expenditures under Section 304.

In Sec. 306 and in Sec. 308(1) (2) (4) and (5), the Act lays out certain requirements with respect to both "statements" and "reports", thus clearly indicating the intent of the Act to distinguish between the two kinds of documents.

Thereafter, however, the word "statement" frequently appears alone in a context which suggests it is meant to have a broader, generic connotation which would cover all reports and not just statements as defined by Sec. 303.

Sec. 308(a)(6), for example states that the Supervisory Officer shall: "compile and maintain a current list of all *statements* or parts of *statements* pertaining to each candidate."

If this section is really meant to apply only to a statement of organization, its effect would be quite limited in scope. In practice, we have read this subsection in conjunction with Sec. 308(a)(3) which directs the Supervisory Officer "to develop a filing, coding and cross-indexing system consonant with the purposes of the title" and we have developed a cross indexing system which includes all *reports* as well as statements pertaining to each candidate. Clarification of the law would sanction this interpretation.

The semantic problem grows even murkier in Sec. 309, entitled, "Statements Filed with State Officers". Sec. 309(a) specifies that "a copy of each *statement* to be filed with a Supervisory Officer by this Title shall be filed with the Secretary of State . . . of the appropriate State."

One might assume that this requirement relates exclusively to "statements of organization", but subparagraphs (1) and (2) indicate that the term "statement" in the case includes "reports relating to expenditures and contributions".

Finally, while Sec. 309(b)(1) (2) and (3) properly distinguish between "reports and statements", subparagraph (4) reverts to the language of Sec. 308 and directs State officials to "compile and maintain a current list of all statements or parts of statements pertaining to each candidate".

As you can see, Mr. Chairman, this is a simple problem of wording, but it could lead to confusion or even challenges of the law, particularly with respect to the State reports. My suggestion is that it be remedied either by definition or by the simpler expedient of inserting the words "and reports" wherever the word "statements" stands alone.

Compilation of Annual Committee Reports (Sec. 302(f)(2)).

Next, I would like to report to you on a section of the Act which has become quite controversial. That is the requirement that the Supervisory Officer assemble and submit to the Public Printer all reports submitted by each committee during the calendar year and that the Public Printer "shall make copies of such annual reports available for sale to the public."

Mr. Chairman, this provision of the Act, as I see it, has been vastly distorted by rigid interpretation. It has been assumed that the Public Printer would have to print and make formal publication of all the reports and automatically distribute this mass of paper to all depository libraries and other recipients of official publications. On that basis, I believe it was estimated that the total cost of printing the committee reports of all three Supervisory Officers would be about $3 million.

My office has taken the position from the beginning that this was an extremely costly and unnecessarily rigid approach to compliance with the Act, particularly in the face of an uncertain demand for the reports which are to be produced. In the alternative, we have transmitted our reports on Senate campaigns to the G.P.O. in microfilm form, fully indexed, at an added cost of approximately $500 which is considerably short of the $3 million estimate. We have recommended that the G.P.O. reproduce the reports on demand only, and by the cheapest film-to-paper reproduction techniques, thus obviating formal publication. Under this approach only those reports would be reproduced for which there has been a request, and the cost would be largely recovered through sales.

I submit for the record a copy of my letter of transmittal of March 29 to the Public Printer and a copy of a letter of March 22 from the Majority Leader to the Comptroller General, both of which relate to this matter.

Mr. Chairman, it may be that this provision of the law is superfluous and should be deleted. My own position has been that we should test it in the most flexible and economical way until we can determine the public response to it. I should think that a reference in the Committee report endorsing the Senate's approach should be sufficient to end any further controversy on the matter.

Revision of Reporting Schedule (Sec. 304(a)).

I have several recommendations to make with respect to Sec. 304(a) of the Act and the principal ones have to do with revisions of the reporting schedules. It has been my view from the beginning, Mr. Chairman, that the purposes and intent of the Act—namely maximum public disclosure—can and should be accomplished without imposing unfair burdens on candidates or their committees and without discouraging or deterring pro-

spective candidates, and while encouraging the broadest possible public participation in all aspects of the electoral process.

I submit for the record, a statement which I have issued regarding the Senate Office of Public Records which sets forth guidelines on this score and which we sought to follow in administering the Act.

It has seemed to me that the provision of Sec. 304(a), requiring reports 15 and five days before an election, comes close to imposing an unfair burden without adding appreciably to the achievement of full disclosure. The same purpose could be achieved, in my judgment, by consolidating the two pre-election reports into a single report and tightening up on the special reports of large amounts received just before the election. I, therefore, fully endorse those changes proposed by Sec. 4(b) of Senator Scott's bill (S. 1094) which would provide for a single pre-election report ten days before election, combined with a reduction in the amount of special reportable contributions, received after that report, from $5,000 to $2,500, and a reduction in the time lapse for such special reports from 48 to 24 hours. Indeed, even further tightening of these restrictions, both in terms of time and amount may be in order.

There is a further technical point in Sec. 304(a) that needs clarification regardless of any other changes in the section and this relates to the time within which special reports must be filed with respect to large contributions received before an election. The Act now requires that such special reports must be made for contributions of $5,000 or more "received after the last report *is filed*." This language is in conflict with the provisions of the first part of the same sentence which states that all regular reports "shall be *complete* as of such date as the Supervisory Officer may prescribe." Under this authority, the Supervisory Officers jointly determined and prescribed by regulations that books should be closed seven days *prior* to the stipulated *filing* dates of pre-election reports to allow adequate time for processing reports and mailing. Thus as the law now stands, reports are complete as of the closing date rather than the filing date and there is a technical seventh day loophole with respect to the reporting of special large contributions received prior to elections. We have attempted to close that loophole by administrative fiat but our action should be confirmed by revision of this section to require that special reports should be made with respect to large contributions "received *after the books are closed* for the last report filed prior to an election."

I note that Section 4 of Senator Scott's bill also provides for a change in the periodic reporting dates from the present schedule of March 10, June 10 and September 10 to April 10, July 10, and October 10 while retaining the January 31st report. I can see no objection to this plan which shifts the balance of reporting toward the last half of the year, a change which may well be desirable.

Definition of the Word "File" (Sec. 304(a)).

We had considerable difficulty, at the outset, in interpreting the word "file" as used in Section 304(a). Does it mean delivery at and receipt by the Supervisor on the date specified, or does it mean deposit in a mail box on the date specified? The three Supervisory Officers had considerable debate on this point. My position was that mere deposit in a mail box on the filing date might frustrate the intent of the law, particularly with respect to those reports filed just before an election. Accordingly, we defined "filing" to mean either delivery in the Office of Public Records on the date specified or a certified mailing no later than midnight of the second day next preceding the filing date. This may have seemed like a rather cumbersome requirement to the reporting parties, but I think it did help to provide the kind of timely disclosure required by the law. To simplify the situation for the reporting parties, moreover, we devised a mailing and delivery schedule card for primary and special elections in each State and for the general elections. I submit a sample of this card which was used for reporting in the 1972 elections and which will show how the concept of the mailing date was applied in practice.

I would point out that if the committees were to decide to combine the five and 15 day reports into a single ten day pre-election report that the "filing" date might then be construed as the mailing date and teh separate distinction of a mailing date would no longer be necessary.

Conditional Relief for Candidates (Sec. 304(a)).

Again, in the interests of simplification with no compromise of maximum disclosure. I would like to propose a revision that would conditionally reduce the reporting requirements as they apply to candidates. The problem here is that the reporting requirements set out in Section 302(a) apply without distinction to "each treasurer of a political committee . . . and each candidate . . . " Thus, every time a reporting deadline comes up, whether periodic or pre-election, candidates as well as committees must report.

As far as Senate elections are concerned, this provision, as it applies to the candidates themselves, is often a meaningless exercise. The vast majority of the candidates conduct all campaign financing through committees and, hence, do not report either receipts or expenditures themselves. They file reports, as required by the law, which show zero receipts and zero expenditures. My suggestion is that the Supervisory Officers be permitted to relieve candidates from further filing of these meaningless reports if they make a sworn statement on their first reports to the effect that all receipts and expenditures are handled by committee and none by themselves. If they cannot subscribe to such a statement, they would continue to be required to file regularly as the law now provides. The sworn statement, moreover, would bind them to resume reporting if and as soon as they incur any personal receipts and expenditures in connection with the campaign. Such a provision could either be added to Section 304(a) or, preferably, added as a new paragraph (e) to Section 306, which is entitled "Formal Requirements Respecting Reports and Statements."

I might note in this same context that the Supervisory Officers should be provided further leeway to exempt certain categories of committees and candidates from non-relevant reporting requirements. I am thinking here of Senators and prospective candidates not running in a given year, but who may be reporting periodically nonetheless. There is no reason, for example, why they should be required to file pre-election reports for a general election in which they will not be a candidate, yet the law appears to require them to do so. The same applies to candidates defeated in a primary whose committees may continue reporting periodically on the retirement of outstanding debts, but who should not be required to file reports prior to the general election.

We have attempted to grant reasonable administrative relief to such persons and committees on an ad hoc basis but we really need clarification of the Act. Here, too, the problem could be alleviated by an addition to Section 306.

Identity of Contributors, Lenders, etc. (Sec. 304(b)).

Next, I would call your attention to a particularly troublesome provision and that is the stipulation that persons be identified not only as to full name and mailing address but also as to "occupation and principal place of business, if any."

This requirement appears in the following places with respect to information which must be disclosed on the reports filed by candidates and committees:

Sec. 304(b)(2)—as to contributors.

Sec. 304(b)(5)—as to lenders and endorsers of loans.

Sec. 304(b)(9)—as to recipients of general expenditures.

Sec. 304(b)(10)—as to recipients of expenditures for personal services, salaries, etc.

The business or professional affiliation of a contributor, indeed, is a valid and important part of the total information on the financing of the electoral process. At the same time, I must report to you that, in terms of securing compliance, this requirement is among the most vexatious in the whole Act. We have sent out literally hundreds of Notifications of Error and Omissions to committees or candidates who dutifully reported long lists of contributors, but who left out the occupation and principal place of business. In some cases, the amounts involved may be significant but in many cases they are not; in some cases there may have been a deliberate attempt to withhold significant information, but in most, it was pretty clearly a matter of forgetfulness, ignorance of the law, the unavailability of the information, or the inability to cope with the sheer complexity of gathering and reporting so much information. We will not know until our detailed audit of reports is completed later this year how significant are the violations.

My tentative conclusion at this point, however, is that the absence of this data does not automatically constitute a significant violation of law. Yet the statute, appears to allow little leeway to the Supervisory Officers when it comes to referring or not referring certain cases to the Attorney General for enforcement action. The requirement for disclosure of "occupation and principal place of business, if any," is symbolic of the general enforcement problem.

If there is a statutory solution, it may well come through some sort of modification of Section 308(a)(12), about which I will have more to say shortly. I can well appreciate that the committee may conclude that any modification might compromise the spirit of the Act, but you should be aware of the problem which it imposes on the reporting persons, the Supervisory Officers, and the Attorney General.

Reporting of Debts (Sec. 304(b)(12)).

The Committee may wish to take note of the fact that Section 304(b)(12) refers to the reporting of debts and obligations owed by or to political *committees* and that there is no mention of political debts assumed by a candidate himself. This is probably as it should be for a debt assumed by a candidate becomes a personal matter, very much enmeshed in an individual's family and business affairs. During the past year, we had a classic example of what can happen in this respect. An unsuccessful candidate in a Senate primary assumed the debts of his committee and took out a 20-year mortgage on his home to pay them off.

We do not propose to require that gentleman to file reports for 20 years explaining how he is liquidating that personal debt. He has been relieved of any responsibility for further filing, unless, of course, he should become politically active again and become the beneficiary of contributions which have a clear political character.

We do require, on the other hand, political committees to report continuously until their debts are retired or otherwise extinguished. I might note that we have levied that requirement on some committee which is now actively engaged in receiving contributions and making expenditures to retire debts even though the debts were incurred for elections which took place before the effective date of the Act.

I have no recommendations to make with respect to this section but merely thought you should be advised of its impact.

Annual Statistical Report (Sec. 308(7)).

Section 308(7) requires the Supervisory Officers to compile an annual statistical report which will show the total cost of the elections they supervise, with figures broken down by candidate, State, party and other categories. These summaries will provide a solid core of data for the study and analysis of election financing. The Senate figures will be compiled by computer in conjunction with the final audit of all reports which began just last week.

There is one part of Section 308(7), however, with which we cannot comply, literally, as the law is now structured and that is the requirement in Clause (E) which directs us to compile: "aggregate amounts contributed by any contributor shown to have contributed in excess of $100."

The problem is, Mr. Chairman, that we do not have adequate data to identify contributors for purposes of aggregation. As noted earlier, Section 304 requires that contributors be identified by full name and mailing address, together with occupation and principal place of business, if any. But as you know, contributors do not always identify themselves in exactly the same way every time they give a donation, and some contributors of significant amounts often give from two or more addresses. Even if the name and address on two or more contributions are identical, we cannot legally make the presumption that the donations, in fact, came from the same indivdual although that may frequently be the case.

We are meeting the situation half way this year, Mr. Chairman, by compiling an alphabetical list of each and every contributor who gave more than $100 during 1972. No matter how many times the same name may reappear, it will be listed separately, along with the city of residence, the amount of the donation and the recipient. If the committee concludes this is adequate, it should modify Clause (E) to give proper sanction to our action.

If, however, the committee wishes us to compile true aggregates for all contributors who give in excess of $100, it will have to provide legal authority to require, with respect to the identity of contributors, a social security number, or other unique numerical identifier. This is the procedure which, as you know, is followed by the Internal Revenue Service. This requirement could be added to the other aspects of identification already required by Section 304(b) and it should be coupled with a prohibition against the acceptance by candidates or committees of contributions which do not contain this information.

I would hope that the committee will resolve the matter, one way or the other, this year.

Referral of Apparent Violations (Sec. 308 (a) (12)).

I would now like to turn to the key enforcement provision of the Act, Section 308 (a) (12) which provides that it shall be the duty of the Supervisory Officer: "to report apparent violations of law to the appropriate law enforcement authorities."

This subsection was the basis for all 565 referrals made by my office to the Department of Justice which I noted earlier. I submit for the record a press release issued by my office on March 30, 1973 which further describes these referrals.

I might say for the record, Mr. Chairman, that while the most significant of these referrals, namely those for outright failure or refusal to comply were made during 1972, many of the others, including the late lists, were referred after the conclusion of the 1972 annual reporting cycle. Still more will be made this year as we complete our audit of reports. I can state without reservation that the timing of the referrals was dictated strictly by administrative and procedural considerations during the first year of operations. It would be my intention in subsequent years to make earlier referrals, particularly if we are able to confirm at an earlier date blatant or serious violations of the law.

As you will note, the press release included at this point in the proceedings, makes reference to inflexibility in the enforcement process. The late lists did in fact include many candidates and associated committees, who did not wage significant campaigns, or who had missed only one deadline for a periodic report but who had thus incurred a technical violation. At the same time, however, there may still be, as yet unnoted, much more substantial violations involving, for example, anonymous contributions. The problem is that it takes time to identify these more substantial violations and it is difficult to do so in the haste of processing large volumes of reports in an election year. This is why we are proceeding in the relative calm of the off-year to conduct a detailed audit. The fact is that the enforcement of this Act is going to be a continuing process, year in and year out. It would be helpful if the Committee would consider the possibility of distinguishing between technical violations, such as lateness or incomplete identification and so forth from more substantive errors, and prescribing varying responses accordingly.

There is one other aspect of Section 308(a) (12) which should be brought to the Committee's attention. In this instance, too, the provision is not quite explicit. It simply directs the supervisor to report "apparent violations of law." Does this mean we are responsible for spotting violations of *this* law, or of all laws pertaining to elections or of all laws in general? Obviously, the more inclusive the term, the more staggering the responsibility.

I would suggest that the Committee might consider elucidating Section 308(a)(12) at least to the extent of making it clear that the supervisor is to look for certain kinds of violations, and in particular those specified by other parts of the Act. It is notable, I think, that, while Title I specifies limits on media expenditures, and while Title II sets up very clear limitations on personal expenditures, there is nothing stated anywhere else in the Act about who is to tabulate the totals and determine apparent violations. *We assume* that is what Section 308(a)(12) intends for us to do, but there might be some value in spelling it out.

In this connection, I might just note that there is a substantial ambiguity in Title II. That is the question of whether the limitation on personal expenditure by a candidate applies to each election, including primaries and run-offs, or whether it just applies once in an election year. On the basis of an informal advisory letter from the Department of Justice, the former construction has been applied this year, namely that the limitation applies to each election. But it would be most helpful if the law would be clarified.

A related suggestion is that contributors be required to disclose, under Section 304 (b) a family relationship, if any, to the candidate, as specified by Title II.

The Complaint Mechanism (Sec. 308(d) (1)).

I turn now to the other avenue of enforcement under the law, which, as distinct from direct referral by the Supervisory Officer of apparent violations, involves the complaint procedure specified by Section 308(d)(1). The clear intent of this provision seems to have been to provide a procedure whereby aggrieved candidates, citizens or groups may make formal complaint that could lead to judicial relief action.

I would note that there are several intermediary steps stipulated in the Act which are rather puzzling in their complexity. Section 308(d)(1) states, and I paraphrase in part, that after a complaint is filed alleging violation "of this Title" (Title III), the following things happen:

1. The Supervisory Officer makes a determination as to whether or not there is substantial reason to believe a violation has occurred.

2. If his preliminary determination is affirmative, he then expeditiously makes an investigation, including examination of reports of complaining candidates.

3. He then offers the opportunity for a hearing, with due notice.

4. He then makes a judgment whether any person has or will engage in practice which will violate "this title" (Title III).

5. If the supervisor's judgment is affirmative, the Attorney General must institute a civil action for relief, which might include a permanent or temporary injunction, a restraining order or any other appropriate court order.

Aside from the fact that there is apparent redundancy in these steps, certain substantive questions emerge. Why, for example, is this relief limited to violations *"of this title?"*

We had a glaring example of the effect of the limitation last fall when we received a subsatntial complaint three days before the general election alleging that a candidate in a major Senate race had overspent his personal expenditure limitation. We checked the records and while there was some ambiguity in the reports, there did not appear to be any definite violation of the disclosure requirements of Title III. So technically the complaint could have died at that point. There did remain the possibility that the personal limitations of Title II had been violated, however, so we referred the case to the Attorney General under our general referral authority in Section 308(a) (12).

The other substantive question arises with respect to the real effect of any court action that might be taken. The Act specifies "a civil action for relief" and a "permanent or temporary injunction, restraining order or court order." The question is relief from what? Or injunction to do what? Since the whole procedure is limited to Title III, there presumably could be no injunction, for example, to curtail media expenditures. Court action apparently would be limited to compelling disclosure as required by Title III.

I raise these questions, Mr. Chairman, only in the hope that the Committee will undertake to clarify the language. I do not suggest dilution of the complaint procedure which, as it now stands, was not widely used in 1972. All told, we received only nine formal complaints. One of them, as I have already described, really involved Title II. Another involved a candidate who had already been referred under another provision of the Act to the Department of Justice several months earlier because of his declared refusal to comply with the Act. The other seven cases were settled without referral to the Department of Justice when the parties against whom complaint had been made, responded to due notice and supplied the information alleged to have been withheld.

Relationship with State Governments (Sec. 308(b) and Sec. 309).

I now turn to the question of the relationship between the Supervisory Officers and the election officials of the several States as a consequence of two separate but related provisions of Title III.

Section 308(b) directs the Supervisory Officer to: "encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements."

Section 309(a) requires that a copy of each report filed with the Supervisory Officer be

filed also with the Secretary of State of the state in which the candidate seeks election and part (b) directs the State official to make the reports available for inspection and copying and to compile "a current list of all statements" (as noted earlier) and to preserve the documents.

Although Section 309 places an administrative and financial strain on the States, it has become apparent that these filings have commanded as much, if not more, attention from the news media and the general public than those available here in Washington. In retrospect, this should not be a surprising conclusion since the local media representatives have a more specialized knowledge of the participants and the developments which surround and influence their activities.

In order to identify and evaluate the problems involved in the State filings of the federal reports, in late December of 1972 letters were sent by me to the 33 States involved this year with Senatorial contests requesting comments and observations on the Act. A copy is submitted for the record. As of this printing, 17 replies have been received. I might note that members of my staff also have made personal visits to several of the States to get first-hand impressions.

The most serious and significant problem, as delineated by State officials, was the quantity of reports and the considerable staff time required to receive, date, catalogue and file. Colorado and Kansas, for example, found it necessary to hire additional personnel, while Maine, Nebraska and Alabama observed that their responsibilities under the Act imposed an added burden on their existing staff.

Inspection of these reports by the news media, citizen action groups and the general public, required constant staff attention. In some instances, the other operations of their offices were disrupted at a time when, for many, their own disclosure statements under State law were being received and processed.

Permanent storage of documents caused apprehension on the part of many responding to our inquiry. This requirement will take on added significance with the passage of each election.

Lack of equipment and space for filing these reports, combined with inadequate facilities for public viewing, hampered the accessibility of reports to the public, imposed additional burdens on State personnel, and caused confusion to all parties concerned.

Telephone queries from the press and public reached such proportions in some States that existing telephone lines proved inadequate.

Compliance with the provision requiring that copies of these reports be made available on the same day as received, appeared to present the greatest difficulty to Maine and Alabama, both of which have comprehensive State disclosure laws of their own. It would appear that some States are not fully complying with this responsibility which is imposed on them under Section 309. Nor are they meeting the requirement which requires them to compile and maintain a current list of statements or parts of statements pertaining to each candidate. This situation, I am persuaded, results far more from inadequate staff and equipment rather than any willful or deliberate noncompliance. Federal funding, as suggested by several States, would undoubtedly relieve the administrative burdens associated with Section 309.

It is my intention to issue a separate report in more detail later this year on the problems of State compliance with Section 309 and to suggest more specific remedies. In the meantime, I urge that the Committee give consideration to providing authorization for the Supervisory Officers to administer jointly a modest subsidy to the States to assist them in complying with this portion of the Act.

There is one additional technical problem in connection with the State filing which merits consideration and it relates to my earlier comments about different kinds of committees fulfilling different roles. This concerns the national, multi-candidate type of committee—the Senate Campaign Committees, for example—which might send one or more contributions to a candidate during the course of a campaign, and which dutifully sends duplicate copies of its reports to the appropriate Secretary of State. The question is, when does this committee stop submitting such reports, particularly if the candidate and other, single-candidate committees are continuing to file indefinitely in connection with retirement of debts.

Technically, as the Act now stands, the national, multi-candidate committee appears to have a continuing responsibility to file also, even though its reports are no longer relevant. It is my suggestion that appropriate provision be added to Section 306 to give the Supervisor authority to waive such reports to the States by national, multi-candidate committees.

Contributions in the Name of Another (Sec. 310).

Finally, Mr. Chairman, I wish to call your attention to a problem which has arisen in connection with Section 310 of the Act which states:

"No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person."

Last October, we received a formal complaint from a national citizen's organization citing several cases of apparent earmarked contributions which, it was contended, violated Section 310.

After a careful review of the cases cited, I dismissed the complaint on the grounds that evidence was lacking, in the cases cited, of the deliberate misrepresentation which appears to be the intended target of Section 310.

My letter of dismissal to the organization then went on to state, and I quote:

"Nevertheless, it is recognized that earmarking can be used as a means of evading the spirit of the Act, and the matter is now under consideration by the staff of this office in collaboration with the staffs of the other two Supervisory Officers, with a view toward possible rule-making or referral to appropriate committees of the Congress for statutory revision."

Since that time, Mr. Chairman, the organization has seen fit to bring suit in this connection against the Secretary of the Senate. I am hopeful that the matter can be resolved by the issuance of an appropriate regulation promulgated by the three Supervisory Officers in connection with an overall revision of their regulations on the basis of experience to date. Since the matter is now in court, I will have nothing more to say on the merits of the case except to advise you that the various documents relating to this matter will, of course, be available to the committee staff in the event the Committee believes a clarification by law rather than regulation is the preferred course.

Quite apart from the merits of the particular case, I might just observe that when groups purporting to represent the public interest resort to litigation in the courts, they sometimes do so to the detriment of the very objective they seek. This is all the more unfortunate because we have been happy to consider their views fully in pursuing the objectives of the Federal Election Campaign Act. In this instance, it seems to me, that there has been untimely and unwarranted harassment which has resulted in an unjustifiable imposition on my office in terms of time, manpower, and needless public expenditures for legal defense. The suit does a disservice to the hardworking people who are striving conscientiously to implement this highly complex Act. But most of all, by subjecting this matter to the tedious complexities of litigation, the suit has impeded the orderly implementation of the Act. It is not the first instance of this kind nor do I expect it to be the last. Nevertheless, it is a matter which should be brought to your attention at this time. As the incumbent Secretary of the Senate, with legal responsibilities which fall on me personally, I do not propose to be sidetracked from those responsibilities by pressure from outside the Senate any more than from within.

Mr. Chairman, that ends my testimony on the first year's experience under the Federal Election Campaign Act. I thank you again for extending me this opportunity to appear here today.

PRESS RELEASE, OFFICE OF THE SECRETARY OF THE SENATE, MARCH 1, 1973

Francis R. Valeo, Secretary of the Senate, today released a report describing the use of microfilm and computer technology in the implementation of the Federal Election Campaign Act, with respect to elections for the U.S. Senate in 1972.

"Without the support of modern data processing technology, we would have been hard put to provide for adequate public inspection of the large volume of reports submitted under the Act," Mr. Valeo declared in releasing the report.

Mr. Valero issued the report in his capacity as Supervisory Officer for Senate elections under the Federal Election Campaign Act.

It was prepared by Marilyn E. Courtot, of the staff of the Subcommittee on Computer Services of the Senate Committee on Rules and Administration. The Subcommittee staff assisted the Office of the Secretary in making technical preparations for the implementation of the Act.

Mr. Valeo paid special tribute to the efficiency of the Subcommittee staff for its work in bringing the technical system into operation within the 60 day period allowed for implementation after the Act was signed on February 7, 1972.

The report released today disclosed that the Office of the Secretary received a total of 8,161 reports and registrations, totaling 69,564 pages in the first 10 months of operation. There were 306 candidates for the Senate from 33 States, including unsuccessful primary candidates, and 1,169 registered political committees.

Technical implementation, as required by the Act, involved maintenance of an up-to-date indexing system which would provide rapid cross reference between all committees and the candidates they supported. The Act also required that all documents be available for displaying and copying within 48 hours of receipt.

To meet these requirements, a system was devised to provide for in-house microfilming and key taping of index material upon receipt of documents, with each document made retrievable by a sequential page number automatically printed by the microfilm camera. Films were processed overnight, while updated indexes were run off on the Senate computer, thus assuring availability of the reports for inspection and copying on microfilm reader-printer machines, within the time required.

The Report concludes with the statement that "The Federal Election Campaign Act Reporting System is an example of how a system can be designed and implemented to satisfy a complex law in a very short period of time (60 days). Moreover, the system was immediately responsive, while being economical and easy to operate. The utilization of modern computer and microfilm techniques was a prime factor in the ease of implementation and operation of this system."

PRESS RELEASE, OFFICE OF THE SECRETARY OF THE SENATE, MARCH 30, 1973

Secretary of the Senate Francis R. Valeo, Supervisory Officer for Senate elections under the Federal Elections Campaign Act, today announced the completion of the first phase of enforcement activity on financial disclosures relating to the 1972 elections, resulting in the referral of 565 cases to the Department of Justice.

The first phase involved identification of candidates or political committees who had either failed to submit reports or had done so after the dates of the deadlines prescribed by law.

A total of 19 candidates and three political committees were referred for failing to file reports notwithstanding confirmed receipt of official notifications from the Secretary advising them of their responsibilities under the Act. Referrals to the Department of Justice in this category began in July 1972. An additional referral was made on the basis of a citizen's complaint.

In the late category, a total of 173 candidates and 369 committees were referred for failing to file reports within the prescribed time limits.

All told there were 306 candidates for the Senate, including primary candidates and 1,169 registered political committees of which 195 were waived from reporting requirements.

In announcing the referrals, Mr. Valeo noted that the law left little room for discretion on the part of the Supervisory Officers with respect to referring violations for lateness or non-compliance. He noted that the late lists included many candidates and associated committees, who did not wage significant campaigns, or had missed only one periodic report deadline.

In an effort to identify more significant types of violations, Mr. Valeo stated that his office is undertaking a detailed audit of all reports submitted during the 1972 reporting cycle. The audit is expected to continue over a period of several months.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. 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. HUMPHREY. Mr. President, I yield to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the remarks of the distinguished Senator from Minnesota (Mr. HUMPHREY) there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

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

PAN AMERICAN DAY

Mr. HUMPHREY. Mr. President, early in the 19th century, Simon Bolivar, hero and liberator of South America, dreamed of a pan American union which would forge the states of Latin America into a single community. Through cooperative action and the sharing of scarce resources, the states of Latin America would work together toward the eradication of mutual problems and the attainment of mutual goals.

Today, this ideal lives on in the form of the Organization of American States. Founded in 1948, the OAS actually dates back to 1890 when its predecessor, the International Union of American Republics, was established. This makes the OAS the world's oldest regional international organization.

On this 83d anniversary of the founding of the original Pan American Union, we celebrate Pan American Day to show the deep commitment of the United States to the Organization of American States and all that it represents. This year, Pan American Day has special significance because it also marks the 25th anniversay of the signing of the OAS Charter.

During the past quarter of a century, the OAS has come to signify the best hopes for the improvement of living conditions for the people of Latin America. While the original Pan American Union had as its objective the limited goal of improving trade relations among the Latin American States, the present organization of hemispheric unity seeks to further social and economic welfare, cultural exchange, scientific and technological cooperation, and improvements in health and education. The goal of the OAS is a hemisphere of peace and prosperity for all.

To further that end, the OAS holds frequent meetings where foreign ministers of the member States have the opportunity to consult with each other on ways to improve inter-American cooperation. The various executive committees and specialized agencies of the OAS coordinate efforts in urban and rural development, labor and employment, agriculture and industry, increasing tourism and the promotion of exports. The United States, along with international financial institutions, contributed approximately $800 million last year in assistance to Latin America through the OAS. However, despite these efforts, the problems of underdevelopment—poverty, disease, illiteracy, and overpopulation—persist.

In 1961, President Kennedy launched the Alliance for Progress to determine whether it was possible to redress ancient inequities, improve the distribution of economic benefits, and progressively open the political process to sectors previously excluded from participation. That task turned out to be far more difficult than we had anticipated. But that does not mean that we should abandon the objectives of the spirit of the Alliance as some would have us do today.

The Alliance for Progress constituted an explicit recognition of the relationship that existed between traditional U.S. security objectives in Latin America and the fate of landless peasants, hungry people in urban levels, illiterate and diseased adults, and young men and women without skills and employment opportunities.

On this Pan American Day we should remember the commitment made to social and economic equality by the Alliance for Progress, and dedicate ourselves once again to the proposition of Franklin Roosevelt that no nation can live on an island of wealth in a sea of poverty.

Pan American Day is a time to reaffirm the deep bonds of history and geography inextricably linking the United States and the nations of Latin America. By virtue of a common frontier and a common heritage, the United States has a responsibility, indeed an obligation, to assist our hemisphere neighbors in reaching the level of development which they are striving toward.

The 280 million people of Latin America and the 200 million people of the United States have long been warm and close friends. But we need to learn more about each other to enhance that friendship and establish even greater grounds for mutual respect. Understanding and cultural exchange are the keys to bringing the people of our hemisphere even closer together in a cooperative partnership. We can no longer take Latin American friendship for granted. Rather, we must work to build that friendship by repairing the serious damage that has been done to our relations with Latin American nations over the years.

Our neighbors in Latin America have always looked to the United States for leadership and security. We must not fail that trust which has been put in us. If we are to fulfill our historical role of partner and friend of Latin America, this administration must give a greater share of its attention and time to this hemisphere. We need to include Latin America into our global policy plan and to consider Latin America first among equals in terms of our attention and commitment.

Now that we are finally free from our preoccupation with the tragedy of Vietnam, the United States has a rare opportunity to reassess and redirect its policy toward Latin America in hopes of making the Western Hemisphere a model of the success that might result from a truly cooperative union of peoples. By demonstrating to the people of Latin America that the United States sincerely is concerned with their welfare, and is committed to helping them, the sense of hemispheric community envisioned by Simon Bolivar can become a reality.

Mr. President, I yield the floor.

ORDER FOR RECOGNITION OF SENATORS GRIFFIN AND ROBERT C. BYRD ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, following the recognition of the two leaders or their designees under the standing order, the Senator from Michigan (Mr. GRIFFIN) be recognized for not to exceed 15 minutes.

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

Mr. ROBERT C. BYRD. I ask unanimous consent that following the recognition of Mr. GRIFFIN on Monday, the junior Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for not to exceed 15 minutes.

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

TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. I ask unanimous consent that following the orders for recognition of Senators on Monday, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

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

ORDER FOR RESUMPTION OF THE UNFINISHED BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the transaction of routine morning business, the Senate resume its consideration of the unfinished business.

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

EXTENSION OF PERIOD FOR THE THE TRANSACTION OF ROUTINE MORNING BUSINESS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the limitation on statements made during the present period for routine morning business may be extended to 10 minutes and that the period for the transaction of routine morning business be extended to 30 minutes.

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

THE ENERGY CRISIS

Mr. BARTLETT. Mr. President, on March 6, the Senate Committee on Interior and Insular Affairs, as part of its national fuels and energy study, conducted hearings concerning the capital requirements of the U.S. energy industry. These hearings highlighted an aspect of the energy crisis which up to that time had gone largely unnoticed. The hearings provided information on a major cause of why our Nation's energy companies have not been supplying enough fuels to meet our growing demand. That cause relates to problems of insufficient capital supply.

Put another way, the hearings revealed the following problems:

The demand for energy in this country is continually increasing at an approximate annual rate of 4.2 percent;

To supply such increasing demands involves ever increasing financial requirements;

These requirements must come from either internally generated funds resulting from increased earnings or from outside financing or both;

There are limits on the amount of moneys available from internally generated funds and these limits are related to earnings and earnings are related to prices and tax incentives;

There are also limits to the amount of outside financing available to the industry and these limits are related to internal profits, the profit potential, and internally generated funds and to conditions pertaining to the tight supply of capital;

These limitations taken together will have a substantial impact upon supply; and

Thus, the ability of the energy industry to meet its financial requirements will affect its ability to supply projected increases in the demand for energy from both domestic and foreign sources.

I would like to touch briefly upon the question of financial requirements and later upon the related issue of our balance-of-payments problem caused by energy imports.

Reliable estimates of total capital requirements for the U.S. energy industry between 1971–85 have ranged from $451 billion to $547 billion. These estimates did not include other major sums required for petroleum marketing; oil, gas, and electricity distribution, and the development of overseas natural resources to satisfy U.S. import requirements. They were strictly related to requirements for domestic energy resource development, processing, and primary distribution.

The estimated range of $451 to $547 billion is tied to four hypothetical cases which project various levels of success in terms of domestic development of our indigenous energy resources. Of these amounts $88 to $171.8 billion would be allocated to exploration, development, and production of domestic oil and gas. Adding investments for refineries, pipelines, ships and other transportation systems, brings the cumulative oil and gas capital expenditures between 1971 and 1985 to a range between $186 billion and $256.9 billion.

These capital requirements are staggering and it would be useful to review the problems associated with obtaining them. Referring to the petroleum industry alone, capital outlays in the United States increased steadily during most of the decade of the 1960's, rising above the $8 billion level in 1968. Since then, spending has failed to increase—remaining at about the 1968 level despite the rapid growth in petroleum markets.

A recent study of a leading bank revealed that in 1971 for the first time the industry spent more money on the search for petroleum outside the United States than within. Its outlay in the foreign sector amounted to $3.8 billion—$935 million more than the preceding year—an amount about equal to the decline in domestic investments.

Spending in the U. S. is lagging greatly in relation to increasing demands for petroleum. An unattractive investment climate in the United States results from several things. First of all, the unfavorable political climate has a direct effect on the economic climate.

Secondly, Congress and the Administration have failed to act in any of many important areas: tax incentives, Alaskan oil, offshore leases, deregulation of gas, dependable imports, reasonable environmental policies, improved transportation. In a moment, I will address some of these problems specifically.

A third factor pertains to resource availability. With most of the "easy" oil already discovered and produced, exploratory efforts are being concentrated in offshore and other onshore areas where access to the formations is difficult, where wells must go deeper and where operating costs are higher. A foot-dragging Federal leasing policy has compounded this problem.

Fourth, unrealistically and artifically controlled prices of natural gas at the wellhead have not been attractive to capital investment. Deregulation of gas is long overdue.

A fifth factor relates to environmental policy which raises capital costs. It costs more to produce and to burn energy in a manner consistent with current environmental policy. For example, it is estimated that the capital required to remove lead from gasoline, get sulfur out of crude oil and oil products and to upgrade water quality will amount to about $3 billion a year between now and 1980. It is estimated that the emission standards require an increase of 300,000 barrels per day of additional crude oil—further compounding the energy crisis.

Sixth, the price of oil has not kept pace with costs of finding and producing it. For example, between 1960 and 1970 the cost of drilling an average U.S. well rose from $55,000 to almost $95,000. Today the average offshore well costs over $500,000 to drill and the average well in Alaska runs over $2 million. These rising costs involve not only more expensive drilling operations but also reflect higher bonus costs, particularly involving Federal leasing of offshore areas. The price of oil has not kept pace with such increased costs.

One additional factor is related to national security. As we are becoming more dependent upon imported oil and gas, costs of expanding domestic refineries, storage facilities and LNG conversion facilities will continue to mount.

Having reviewed some of the factors responsible for increased financial requirements and the difficulty of attaining them, let us turn to the question of availability of capital.

First, let us consider the prospects for internally generated funds. For years one of our Nation's leading banks has been studying the performance of a group of 20-some U.S. petroleum companies. Ten years ago, the bank's study showed that the group generated more than 87 percent of required funds as cash earnings. By 1971, the figure had dropped to 71 percent, meaning that the group was forced to rely on outside financing for 29 percent of its requirements. The reason for such a changing relationship regarding sources used to meet financial requirements is that profitability has been eroding steadily over the past decade. Having no small impact on the decline in profitability has been the regulated wellhead price of natural gas and the fact that the real price of crude oil dropped by 14 percent from 1960 to 1971.

Specifically, over the period 1960–71

gasoline prices rose by less than half as much as the Consumer Price Index for all items. Gasoline prices rose during that period by 15 percent while prices for all consumer items rose by 37 percent.

Unless prices increase, or tax incentives are provided, or both, the industry will be forced to turn increasingly to outside sources to meet their financial requirements, substantially reducing the amount of outside capital available and greatly reducing total available capital. More importantly, we must realize that the persons who hold the purse strings in those outside sources are not unmindful of the decline in profitability which has been facing the industry. In fact, the substantial rise in debt experienced by many petroleum companies has created a situation in which further increases, without a commensurate gain in earnings, could lead to deteriorating financial ratings and higher interest rates, further reducing available borrowings.

Thus, some companies have begun to undertake more extensive equity financing, often taking the form of stock issues. There are limitations here, too. If an investor buys stock he expects to be paid a fair return. If earnings are down, so are dividends and so too most often is the price of the stock, resulting in capital losses rather than capital gains.

For these reasons, the conclusion must be drawn that "the era of cheap energy is at an end."

So far I have tried to point out that—as domestic demand for energy increases, the financial requirements necessary to maintain a strong domestic industry increase far more rapidly. Unless earnings increase, there will be further limits on the ability of the industry to meet rising demands for capital. Sufficient internally generated funds and outside financing will not be available unless there is an increase in earnings.

Dr. Richard J. Gonzalez, in his testimony before the committee, stated that—

> The additional investments in U.S. energy required to serve national needs can and will be made by private industry under clearly defined, dependable policies on the part of the Federal government if those policies offer the prospect of adequate profits in keeping with risks and success. These investments involve a long lead-time from the initial decision to the beginning of operations of new facilities, and long payout periods, especially for all the facilities necessary for major new capacity, such as the pipelines to move oil and gas from the vast Arctic areas of Alaska and Canada. The greatest difficulty in attracting sufficient capital funds will arise from uncertainties about governmental policies on such matters as import controls, changes in tax treatment after capital has been risked under the promise of differential incentives, and delays under the promise of differential incentives, and delays in ability to produce oil and gas after they are discovered, as has been the case in Alaska and off the coast of California.

Other testimony revealed the substantially expanding financial requirements of the electrical utility industry and the bleak future prospects for meeting these requirements. Mr. Eugene W. Meyer told the committee that the investor-owned electric utility industry will require construction expenditures totaling $75.8 billion during the 1973–77 period. In addition, he commented that $5 billion of maturing securities must be refunded during the same period, increasing the total capital requirements of the electric industry to some $80.8 billion—56 percent higher than the requirements of the past 5 years.

Turning now to a related issue, that of capital outflow to develop foreign energy sources, we can see another dimension further complicating the energy crisis.

Our present energy crisis, resulting in part from greatly increased demand, is forcing us to import massive amounts of foreign oil and gas with substantial investments in refineries and expanded storage; large, expensive ships; deepwater ports; barges; and pipelines.

The National Petroleum Council reports that imports of foreign oil could easily increase from 22 percent in 1970 to 40 percent in 1975, 50 percent in 1980, and 54 percent in 1985.

Recently, there has been a surge in plans to import large amounts of liquified natural gas. There is not sufficient incentive to explore and develop domestic natural gas reserves. Because of this, companies are going abroad and contracting for significant amounts of liquified natural gas at a very high price. An estimated high price of $1.10 to $1.50 per thousand cubic feet of gas results from high initial capital expenditures in liquification facilities, special tankers, and regasification facilities. In addition, these foreign purchases further increase the balance of payment deficit besides impairing domestic employment and national security.

We have an immediate decision to make. We must take the necessary steps to strengthen the domestic energy industries. If we fail to strengthen the domestic oil and gas industry, our country will, with the passage of time, become more dependent upon foreign supplies of oil and gas at higher and higher prices. This decision needs to be made right away or it will be too late—too costly to make later.

G. A. Lincoln, formerly the Director of the President's Office of Emergency Preparedness and former Chairman of the President's Oil Policy Committee, stated that—

> There is no more important single area of national security and overall foreign policy concern for our country in the years ahead than the problem of oil and gas imports.

He further pointed out that—

> The national security of the country rests on its economic well-being, and, hence, the net balance of payments cost of mushrooming imports of oil and gas is of great concern.

The extent to which we turn to foreign sources will not only affect our balance of trade but also the value of the dollar itself.

In 1973 our balance-of-payments deficit due to oil imports will be about $6.1 billion. This figure could grow to $9.1 billion in 1975 and $15.3 billion by 1980. If we fail to provide an adequate climate for revived development of our domestic energy resources, our balance of trade deficit by 1985 could reach a level as high as $31.7 billion.

The press has begun to pay increasing attention to the problem. The headline in a recent Wall Street Journal read:

> Middle East Oil Funds Play an Increasing Role in Monetary Turmoil.

This problem was most cogently summarized by the following statement of Walter Levy:

> In the case of a few Middle Eastern countries, with revenues from oil beginning to exceed their national budgets, their surplus of foreign exchange funds could far exceed any accumulation of foreign-held funds ever before experienced. Realistically, such funds could probably not be placed into long-term or short-term investments year in year out without risking severe international repercussions and potentially extensive restrictions on the free flow of capital. Moreover, the reverse flow of dividends and interest would soon add an additional unmanageable balance of payments burden to the oil import bill of the key countries. Nor could the short-term money markets handle such excessive and most likely very volatile funds without undermining the world's monetary arrangements.

The fact that our total balance of trade deficit exceeded $6 billion in 1972 had a great deal to do with the recent devaluation of the U.S. dollar. With each such devaluation of the dollar, the cost of foreign energy rises.

The message is clear: The more dependent we become on foreign energy sources without an offset in the form of increased exports of other products, the greater become the pressures for further devaluation.

As the dollar is devalued, the more foreign energy will cost. It is a very vicious cycle.

The stability of our dollar cannot be permitted to unravel further. Our only sane course is to engineer a turnaround in the level of domestic energy production which necessitates a turnaround in the climate for domestic investment. And that turnaround cannot occur without an increase in prices or an increase in tax incentives, or both.

John Emerson, a well-respected energy economist, in pointing to the most viable means of preventing such national bankruptcy, concluded that we must limit our dependence on foreign oil. He said:

> This means committing ourselves wholeheartedly to the development of our own energy resources as a matter of the highest national priority. Our concern in the future must be with supply rather than with price. If we attempt to regulate prices at a level that will not bring forth an adequate supply of energy, the whole fabric of our economic structure will crumble about us.

Joseph J. Sisco, Assistant Secretary for Near Eastern and South Asian Affairs, in talking about energy in relation to the Middle East says:

> It would be a mistake to view the current situation in the Middle East with a complacent attitude. It is true that the ceasefire (Arab-Israeli) is now in the thirtieth month, but if we need a cogent reminder of how fragile is the ceasefire, we need only

recall the recent shooting by a Libyan aircraft, and the recent murders of our diplomats in Khartoum.

It is not in the national interest of the United States to be overly reliant on any one source or any one area for our energy needs.

The way to avoid our energy needs being exploited by others for political or other purposes is to assure our own sources of supply in this country. That means an all-out effort to develop the variety of sources available to us in this country—a diversification of such sources. To the degree to which we assure ourselves of our own resources here in this country it will also help to assure that sources outside the country, to the degree to which we desire or need them, will remain available to us in the foreseeable future.

The choice is simple. We either pay more for domestic energy or go bankrupt buying foreign energy. There is no other way.

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MANPOWER COSTS IN THE DEFENSE BUDGET

Mr. HARRY F. BYRD, JR. Mr. President, I would like to speak briefly about a very important issue that has caused me considerable concern for some time. It is the rising cost of manpower as a portion of the defense budget.

In fiscal year 1974, the Department of Defense will spend 56 percent of its total budget on manpower costs that are narrowly defined, compared with 41 percent in fiscal year 1963.

If manpower costs are defined more broadly and we include such things as hospital construction, construction of troop housing at training centers, and so forth, we come to the alarming result that 66⅔ percent—$2 out of every $3—of the defense budget is manpower related. To put this in perspective the Soviet Union spends about 30 percent of its budget on manpower.

Let me state this differently.

In fiscal year 1954 the defense outlays budget was $43.6 billion and in fiscal year 1974 it will be $79 billion—an increase of $35.4 billion in 20 years.

Of this $35.4 billion increase, $32.9 billion, or 93 percent, went for pay and operating costs and only $2.5 billion, or 7 percent, of the increase went for the combined total of procurement, research and development, and military construction.

This to me is an alarming fact. It should be clear from this that the preponderant rise in the defense budget for the last 20 years has been the significant increase in manpower costs and not in weapons systems as is commonly thought.

Mr. President, the staff of the Committee on Armed Services has completed two studies that I think will be of general interest to the Members. One has to do with the "Cost of Maintaining a U.S. 'Soldier' on Active Duty from Fiscal Year 1950 to Fiscal Year 1974" and the other with a "Projection of the Department of Defense Budget in Total Obligational Authority from Fiscal Year 1975 to Fiscal Year 1980."

I would urge my colleagues and their staffs who might use these studies to read very carefully the assumptions used in deriving the figures found therein. I invite particular attention to the study dealing with the projection of the defense budget. In this it should be noted that a factor of 5 percent was used to project the cost of procurement, research, and development and military construction. The 5-percent factor was thought to be the most reasonable estimate for growth in this area since the Department of Defense does not provide to Congress a 5-year projection of their total procurement programs.

I would add that I do not intend in any way by bringing these studies to the attention of Members of the Senate that our military servicemen and women have not deserved or do not deserve to be well-paid, well-housed, and well-fed. But I think it important that the Congress recognize an important fact; namely, the significant portion of the defense budget that goes for manpower.

One conclusion I would draw from the studies and facts I have cited is that defense manpower is a very expensive resource and that it is incumbent on the Department of Defense to manage it as such. I am talking here of the size of the support establishment, promotion policies, utilization of personnel, and a host of other issues that impact on manpower costs.

Mr. President, I ask unanimous consent that the studies completed by the staff of the Committee on Armed Services be printed in the RECORD at this point.

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

COST OF MAINTAINING A U.S. "SOLDIER" ON ACTIVE DUTY—FISCAL YEAR 1950 TO FISCAL YEAR 1974

The average cost of maintaining a U.S. soldier on active duty has risen from about $3,443 in FY 1950 to $12,448 in FY 1974, an increase of 262%. Chart 1 shows how this cost has increased for each fiscal year since 1950 and describes how the cost calculation was made.

Increases in military pay have accounted for more than half of the increased cost of the U.S. soldier since 1950. Chart 2 shows how military pay and allowances have increased from October 1, 1949, to January 1, 1973, and Chart 3 shows how military basic pay increased during this period. The average increase during the period 1949–73 in military pay and allowances has approximated 170%, and the average increase in basic pay has been about 217% whereas for the same 1949–73 period, average annual classified Federal Civil Service pay increased by 153%, and weekly and hourly earnings of production workers in the private sector increased about 180%.

It should be noted that basic pay is the base on which military retired pay is computed, and the significant increases in basic pay since 1949 have accounted in part for the present $137 billion unfunded liability of military retirement discounted at three and one-half percent, which means that $137 billion would have to be invested now and earn three and one-half percent interest into the future to cover the current unfunded liability of the military retirement system.

Chart 4 provides disbursement and projected cost data for the military retirement system from FY 1950 to FY 2000. The assumptions used in deriving Chart 4 were somewhat conservative. If annual increases in basic pay and the Consumer Price Index are 7.2% and 3.0% respectively, then retirement pay costs could reach $35 billion per year by FY 2000 or alternatively, the government would disburse between now and FY 2000—26 short years—over $435 billion in military retired pay.

Military retired pay was .88% of total Department of Defense outlays in FY 1954, 2.38% of outlays in FY 1964 and will be approximately 6.21% of outlays in FY 1974 (excluding legislative proposals such as for recomputation).

CHART I

COST PER "SOLDIER" FROM FISCAL YEAR 1950 TO FISCAL YEAR 1974

Fiscal year	Active force average strength (thousands) (1)	Manpower cost in defense budget [1] (millions) (2)	Dollar cost per "Soldier" [2] (3)
1950	1,539	$5,299	$3,443
1951	2,394	9,471	3,956
1952	3,504	12,537	3,578
1953	3,554	13,694	3,854
1954	3,425	12,528	3,658
1955	3,178	12,337	3,882
1956	2,888	11,935	4,133
1957	2,794	11,811	4,228
1958	2,674	11,955	4,471
1959	2,565	12,270	4,784
1960	2,489	12,122	4,870
1961	2,490	12,410	4,984
1962	2,725	13,667	5,015
1963	2,702	13,660	5,056
1964	2,691	14,626	5,435
1965	2,668	15,232	5,709
1966	2,853	17,621	6,176
1967	3,298	20,476	6,209
1968	3,436	22,743	6,619
1969	3,467	24,005	6,924
1970	3,294	25,588	7,768
1971	2,891	25,334	8,763
1972	2,512	26,119	10,398
1973	2,333	27,017	11,580
1974	2,277	28,344	12,448

[1] The amount in column (2) includes the Military Personnel Appropriation for each fiscal year (which consists of military basic pay, regular and variable reenlistment bonuses, separation pays, special pays, housing and subsistence allowances, etc.) plus the cost of constructing and operating family housing, the cost of medical programs and certain training costs. This amount would therefore cover all pay and allowances of military personnel in cash or kind plus a large portion of the personnel support costs. Relatively small portions of the above costs were estimated for prior to 1956.

[2] This amount was determined by dividing the figure in column (1) into the amount in column (2) for each fiscal year.

CHART 2

EXAMPLES OF THE INCREASES IN ANNUAL MILITARY PAY AND ALLOWANCES[1] FROM JULY 1, 1949 TO JAN. 1, 1973

Grade	Years of service	Pay and allowances Oct. 1, 1949	Pay and allowances Jan. 1, 1973	Dollar increase	Percent increase
O-10 General	30	$13,761.00	$40,030.56	$26,269.56	191
O-9 Lieutenant general	30	13,761.00	39,969.36	26,208.36	190
O-8 Major general	30	13,761.00	36,434.16	22,673.16	165
O-7 Brigadier general	30	12,222.00	32,204.16	19,982.16	163
O-6 Colonel	27	9,981.00	28,424.16	18,443.16	185
O-5 Lieutenant colonel	22	8,613.00	23,636.16	15,023.16	174
O-4 Major	16	7,236.00	19,589.76	12,353.76	171
O-3 Captain	10	6,030.00	16,497.36	10,467.36	174
O-2 1st lieutenant	5	4,828.56	13,296.96	8,468.40	175
O-1 2d lieutenant	0	$3,969.00	$9,066.96	$5,097.96	128
E-7 Sergeant 1st class	20	3,985.20	11,499.45	7,514.25	189
E-6 Staff sergeant	15	3,367.80	9,926.25	6,558.45	195
E-5 Sergeant	10	2,926.80	8,601.45	5,674.65	194
E-4 Corporal	5	2,127.60	7,406.25	5,278.65	248
E-3 Private 1st class	1	1,686.60	6,131.85	4,445.25	264
E-2 Private	1	1,530.00	5,969.85	4,439.85	290
E-1 Recruit	0	1,440.00	5,548.65	4,108.65	285

[1] Military pay and allowances consist of basic pay and cash housing and subsistence allowances. The tax advantage on the nontaxable housing and subsistence allowances is not included in the above figures.

Note: Enlisted grades E-9 (sergeant major) and E-8 (master sergeant) were not included above because these grades were not established by law until 1958.

CHART 3

EXAMPLES OF THE INCREASES IN ANNUAL MILITARY BASIC PAY FROM OCT. 1, 1949 TO JAN. 1, 1973

Grade	Years of service	Basic pay Oct. 1, 1949	Basic pay Jan. 1, 1973	Dollar increase	Percent increase
O-10 General	30	$11,457.00	$36,000.00	$24,543.00	214
O-9 Lieutenant general	30	11,457.00	35,938.80	24,481.80	214
O-8 Major general	30	11,457.00	32,403.60	20,946.60	183
O-7 Brigadier general	30	9,918.00	28,173.60	18,255.60	184
O-6 Colonel	27	8,037.00	24,750.00	16,713.00	208
O-5 Lieutenant colonel	22	6,669.00	20,196.00	13,527.00	203
O-4 Major	16	5,472.00	16,430.40	10,958.40	200
O-3 Captain	10	4,446.00	13,575.60	9,129.60	205
O-2 1st lieutenant	5	3,334.56	10,612.80	7,278.24	218
O-1 2d lieutenant	0	$2,565.00	$6,793.20	$4,228.20	165
E-7 Sergeant 1st class	20	3,175.20	8,960.40	5,785.20	182
E-6 Staff sergeant	15	2,557.80	7,524.00	4,966.20	194
E-5 Sergeant	10	2,116.80	6,336.00	4,219.20	199
E-4 Corporal	5	1,587.60	5,346.00	3,758.40	237
E-3 Private 1st class	1	1,146.60	4,269.60	3,123.00	272
E-2 Private	1	990.00	4,107.60	3,117.60	315
E-1 Recruit	0	900.00	3,686.40	2,786.40	310

Note: Enlisted grades E-9 (Sergeant Major) and E-8 (Master Sergeant) were not included above because these grades were not established by law until 1958.

CHART 4

COST OF THE MILITARY RETIREMENT SYSTEM, FISCAL YEARS 1950-2000

[In millions of dollars]

Fiscal year	Amount
1950	195
1951	324
1952	340
1953	357
1954	386
1955	419
1956	477
1957	511
1958	562
1959	641
1960	694
1961	786
1962	894
1963	1,015
1964	1,209
1965	1,384
1966	1,591
1967	1,830
1968	2,095
1969	2,444
1970	2,849
1971	3,386
1972	3,885
1973	4,446
1974	[1] 4,912
1975	5,199
1976	5,691
1977	6,179
1978	6,694
1979	7,208
1980	7,751
1981	8,300
1982	8,885
1983	9,460
1984	10,059
1985	10,652
1986	11,291
1987	11,957
1988	12,727
1989	13,545
1990	14,419
1991	15,270
1992	16,145
1993	17,024
1994	17,987
1995	18,948
1996	19,998
1997	21,074
1998	22,236
1999	23,402
2000	24,659

[1] This figure includes only the estimated cost of paying military retirees in fiscal year 1974 and does not include amounts budgeted in fiscal year 1974 for legislative recommendations such as $360,000,000 for a 1-time recomputation and $30,000,000 for changes to the retirement system itself.

Note: Amounts prior to fiscal year 1974 are Department of Defense outlays for mi itary retirement pay. Amounts for fiscal year 1975 and beyond are projections based on a 5.5 percent annual increase in basic pay and a 2.4 percent annual increase in the Consumer Price Index. The projections assume no change in the present military retirement system and no one-time recomputation.

PROJECTED DEPARTMENT OF DEFENSE TOTAL OBLIGATIONAL AUTHORITY (TOA) BUDGETS, FISCAL YEARS 1975-80

[In millions of dollars]

	DOD request fiscal year 1974	Base[1] amount	Fiscal year— 1975	1976	1977	1978	1979	1980
Civilian payroll[2]	13,512	13,450	14,190	14,970	15,793	16,661	17,577	18,544
Military payroll[3]	18,444	18,161	19,469	20,871	22,374	23,985	25,712	27,563
Other military personnel[4]	6,236	5,999	6,082	6,167	6,255	6,346	6,439	6,535
Retired pay[5]	5,302	4,912	5,400	5,900	6,500	7,100	7,800	8,400
Family housing[6]	966	966	995	1,025	1,056	1,088	1,121	1,155
Operations and maintenance[7]	12,276	11,760	12,113	12,476	12,850	13,236	13,633	14,042
Procurement, research and development, military construction[8]	28,290	27,976	29,375	30,844	32,386	34,005	35,705	37,490
Total	85,025	83,224	87,624	92,253	97,214	102,421	107,987	113,729

[1] This reflects the reduction in MASF and U.S. spending for SEA from the fiscal year 1974 level as discussed above. For example, the fiscal year 1974 amount of $12,276,000,000 for operations and maintenance was decreased by $516,000,000 in the base amount because of a reduction of $173,000,000 in MASF and $343,000,000 in U.S. costs for SEA (fiscal year 1974 $12,276,000,000—$516,000,000 = $11,760 base amount). It also reflects a reduction of $390,000,000 from the fiscal year 1974 figure for retired pay as explained in footnote 5. All inflation factors were applied to figures in the base amount.

[2] This includes salaries of Department of Defense civilian personnel. Projected to increase from the base amount 5.5 percent each year.

[3] This includes basic pay and items related directly to basic pay such as reenlistment bonuses, etc. Projected to increase 7.2 percent each year from the base amount and asumes no change in the so-called Rivers amendment (Public Law 90-207) requirement of adding comparability increases in military pay to basic pay only.

[4] This includes cash basic allowance for quarters (BAQ), a cash basic allowance for subsistence (BAS) for officers, cash subsistence for enlisted personnel and enlisted subsistence payments

Footnotes continued on following page.

when rations are not available, other costs such as permanent change of station (PCS) travel, clothing allowances, and fixed costs such as flight pay, hostile fire pay, special pays. Since the other military personnel amount consists of items fixed by law and items subject to adjustment because of inflation, it was assumed that items fixed by law, such as BAQ, BAS, flight pay, special pays, etc. would not change and that items subject to adjustment for inflation, such as cash subsistence for enlisted personnel, clothing allowances, etc. would increase by 3 percent.

[5] Assumes an annual increase of 7.2 percent in basic pay and an annual increase of 3 percent in the consumer price index (CPI). The fiscal year 1974 figure includes $360,000,000 for a recomputation proposal and $30,000,000 for changes to the retirement system. The projections for fiscal year 1975 and beyond do not include costs for recomputation or other changes in the retirement system.

[6] This includes the cost of family housing (excluding pay) and is projected to increase from the base amount by 3 percent each year.

[7] This includes the cost of operations and maintenance (excluding pay) and is projected to increase by 3 percent from the base amount each year.

[8] Projected to increase by 5 percent from the base amount for each year.

Note: These projections assume that the Department of Defense will maintain through fiscal year 1980 the fiscal year 1974 military force of 2,233,000 (end strength) and civilian force of 1,008,000 (end strength). The following inflation factors were applied to the above categories: Civilian payroll—5.5 percent; Military payroll—7.2 percent; Other military personnel—various factors outlined in footnote 4; Retired pay—projections by the Department of Defense Actuary; Family housing—3 percent; Operations and maintenance—3 percent; Procurement, research and development, military construction—5 percent. In addition, the projections considered incremental costs in fiscal year 1974 for Southeast Asia (SEA) as follows:

[In millions of dollars]

	Military assistance service funded (MASF) *	United States	Total SEA	MASF base amount
Civilian payroll		62	62	
Military payroll		283	283	
Other military personnel	55	226	281	44
Operations and maintenance	871	343	1,214	698
Procurement	945	127	1,072	758
Total	1,871	1,041	2,912	1,500

* This is free world force support for SEA. This projection assumes $1,500,000,000 for MASF through fiscal year 1980 (or a reduction of $371,000,000 from the MASF fiscal year 1974 funding level of $1,871,000,000) and that all of the U.S. costs for SEA, that is, $1,041,000,000 would drop out after fiscal year 1974.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS DURING ADJOURNMENT OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have authority to file reports during the adjournment over to 12 o'clock meridian on Monday next.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for Monday is as follows:

The Senate will convene at 12 o'clock meridian.

After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Michigan (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes, to be followed by the junior Senator from West Virginia (Mr. ROBERT C. BYRD) for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 3 minutes, at the conclusion of which the Senate will resume consideration of the unfinished business, S. 352.

There is no time agreement on the bill. Yea-and-nay votes may occur on amendments and, of course, tabling motions are always in order, as are motions to recommit, refer, and so forth.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock meridian on Monday next.

The motion was agreed to; and at 1:19 p.m. the Senate adjourned until Monday, April 16, 1973, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate April 13, 1973:

DEPARTMENT OF STATE

David H. Popper, of New York, a Foreign Service officer of the class of career minister, to be an Assistant Secretary of State.

ATOMIC ENERGY COMMISSION

William E. Kriegsman, of Maryland, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1975, vice James R. Schlesinger.

DEPARTMENT OF JUSTICE

George K. McKinney, of Maryland, to be U.S. marshal for the District of Columbia for the term of 4 years vice Anthony E. Papa, resigning.

BUREAU OF THE CENSUS

Vincent R. Barabba, of California, to be Director of the Census, vice George Hay Brown, resigned.

FEDERAL HIGHWAY ADMINISTRATION

Norbert T. Tiermann, of Nebraska, to be Administrator of the Federal Highway Administration, vice Francis C. Turner, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 13, 1973:

DEPARTMENT OF DEFENSE

John O. Marsh, Jr., of Virginia, to be an Assistant Secretary of Defense.

Jerry Warden Friedheim, of Virginia, to be an Assistant Secretary of Defense.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NAVY

The following-named Reserve officers of the U.S. Navy for permanent promotion to the grade of rear admiral:

LINE

John H. Pedersen
Richard Freundlich
Edwin M. Wilson, Jr.
Graham Tahler
George V. Fliflet
Eddie H. Ball
Judson L. Smith
Anthony A. Braccia
John D. Gavan
Robert A. Hobbs
Burnett H. Crawford, Jr.
Hugh R. Smith, Jr.

MEDICAL CORPS

Ben Eiseman
David B. Carmichael, Jr.

SUPPLY CORPS

Jack F. Pearse
Robert H. Spiro, Jr.
Raymond Hemming

CHAPLAIN CORPS

Mark R. Thompson

DENTAL CORPS

George J. Coleman
Roman G. Ziolkowski

IN THE MARINE CORPS

Lt. Gen. Ormond R. Simpson, U.S. Marine Corps, when retired, to be placed on the retired list in the grade of lieutenant general in accordance with the provisions of title 10, United States Code, section 5222.

EXTENSIONS OF REMARKS

BILL SCOTT REPORTS—APRIL

HON. WILLIAM LLOYD SCOTT

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, April 13, 1973

Mr. SCOTT of Virginia. Mr. President, our practice is to keep constituents informed through monthly newsletters and I ask unanimous consent to print the April report in the RECORD for the information of Senators.

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

YOUR SENATOR BILL SCOTT REPORTS

COMMITTEE ACTION

Our Committees of the Senate are now very active in considering proposed legislation, and two items which may be of special interest to you have been selected for comment.

Let me add that a number of important measures are still in the respective committees and hearings are being conducted.

SCHOOL BUSING

Hearings on proposals to amend the Constitution to prevent the busing of school children to obtain a racial balance were held by the Senate Judiciary Committee on April 10 and 11. This appears to be an extremely important domestic problem, and I urged the Committee to bring a Constitutional amendment or an alternate proposal