SENATE—*Monday, May 14, 1973*

The Senate met at 12 o'clock noon and was called to order by Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

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

Almighty God, who art the way, the truth, and the life, shed Thy light upon our pathway at the opening of this new week. As Thou hast led this Nation through troubled times of the past, be now to us our source of life and light and wisdom. Suffer us not to stray from Thee who art the way, nor to distrust Thee who art the truth, nor to find our strength except in Thee who art our life. Teach us what we should think and what we should do, that in Thy light we may see light and in Thy straight path we may not stumble. And finally bring us to rest in peace with Thee.

Through Jesus Christ, our Lord. Amen.

(Erasmus, 1466–1536, adapted.)

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 14, 1973.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of May 10, 1973, the Secretary of the Senate, on May 11, 1973, received the following messages from the President of the United States:

Executive J, Ninety-third Congress, first session, Agreement Between the United States of America and Canada for Promotion of Safety on the Great Lakes by Means of Radio, 1973, signed at Ottawa on February 26, 1973; and

Sundry nominations, which under authority of the order of the Senate of May 10, 1973, were referred to the appropriate committees.

(The nominations received on May 11, 1973, are printed at the end of Senate proceedings of today, May 14, 1973.)

COMMUNICATIONS FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of May 10, 1973, the following communication was received and referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION (S. Doc. No. 93–15)

A communication from the President of the United States, requesting a supplemental appropriation for the fiscal year 1973, in the amount of $108,671,285 (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of May 10, 1973, the Secretary of the Senate received the following messages from the House of Representatives:

On May 10, 1973:

That the House insisted upon its amendment to the bill (S. 38) to amend the Airport and Airway Development Act of 1970, as amended, to increase the United States share of allowable project costs under such act; to amend the Federal Aviation Act of 1958, as amended, to prohibit certain State taxation of persons in air commerce, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Staggers, Mr. Jarman, Mr. Dingell, Mr. Kuykendall, and Mr. Shoup were appointed managers of the bill on the part of the House.

On May 11, 1973:

That the Speaker had affixed his signature to the enrolled bill (S. 394) to amend the Rural Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes.

Under authority of the order of the Senate of May 10, 1973, the President pro tempore, on May 10, 1973, signed the enrolled bill (S. 394).

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 10, 1973, Mr. BARTLETT, from the Committee on Interior and Insular Affairs, reported favorably, with amendments, on May 11, 1973, the bill (S. 1381) to amend certain provisions of the Land and Water Conservation Fund Act of 1965 relating to the collection of fees in connection with the use of Federal areas for outdoor recreation purposes, and submitted a report (No. 93–148) thereon, which was printed.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, May 10, 1973, be dispensed with.

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

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on May 11, 1973, the President had approved and signed the act (S. 394) to amend the Rural Electrification Act of 1936, as amended, to establish a rural electrification and telephone revolving fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes.

SPECIAL REPORT ENTITLED "NEW APPROACHES TO FEDERAL DISASTER PREPAREDNESS AND ASSISTANCE"—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HUDDLESTON) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Public Works. The message is as follows:

To the Congress of the United States:

I am transmitting to the Congress today a special report on "New Approaches to Federal Disaster Preparedness and Assistance." The report presents the findings of a comprehensive 8-month long review and study of this subject by a joint task force of the Office of Emergency Preparedness and the Office of Management and Budget.

The Disaster Preparedness and Assistance Act of 1973, which I proposed to the Congress on May 8th, builds upon the findings of this report and the broad practical experience we have gained in the many and various disasters since enactment of the Disaster Relief Act of 1970. (PL 91–606). This legislation would strengthen our ability to reduce future losses due to disasters, as well as improve our response and assistance when disasters occur. It calls for greater sharing of responsibility and action between all levels of government to insure prompt, adequate and humanitarian response in time of disaster.

The report transmitted herewith provides convincing evidence of the need for the initiatives included in my new disaster legislation, and I urge your close attention to it.

RICHARD NIXON.

THE WHITE HOUSE, *May 14, 1973.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 7447) making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 721) to authorize appro-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

priations for the Indian Claims Commission for fiscal year 1974, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. HUDDLESTON).

HOUSE BILL REFERRED

The bill (H.R. 7447) making supplemental appropriations for the fiscal year ending June 30, 1973, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I withhold my time and ask that the distinguished acting Republican leader be recognized.

The ACTING PRESIDENT pro tempore. The Senator from Maryland (Mr. BEALL), the acting Republican leader, is now recognized.

Mr. BEALL. Mr. President, I yield the time allocated to the Republican leader to the distinguished Senator from Massachusetts (Mr. BROOKE).

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

(The remarks Senator BROOKE made at this point on the submission of an amendment to the Supplemental Appropriation Act are printed in the RECORD under the appropriate heading in connection with H.R. 7447.)

ORDER OF BUSINESS

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

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask that the time be charged against the time allotted to Mr. COOK.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that Mr. STEVENSON, for whom an order was entered on May 10, will not utilize his time today. I therefore ask unanimous consent that that time may be reserved to my own control.

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

Mr. ROBERT C. BYRD. Mr. President, without prejudice to the distinguished Senator from Kentucky (Mr. COOK), who was to be recognized at this time and who is on his way from a meeting of the Committee on the Judiciary, I ask unanimous consent that I may be recognized at this time.

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

MR. BUTZ SHOULD DO MORE TO LOWER THE PRICE OF GROUND BEEF—AND TALK LESS

Mr. ROBERT C. BYRD. Mr. President, once again we have been treated to a gratuitous opinion from the lips of Agriculture Secretary Butz. He is quoted in the Washington Post this morning as having described the distinguished senior Senator from North Carolina as a "publicity-seeking Senator."

Mr. Butz offered the further opinion that the Select Senate Committee to Investigate Conduct of the 1972 Presidential Election is a "very improper political inquisition" conducted, in Mr. Butz' view "largely for political reasons."

While I do not question Secretary Butz' right to express opinions, I believe it is fair to question their accuracy and their motivation. This is the second time recently that Mr. Butz has cast aspersions on Congress and its Members. The housewives of America would take comfort if Butz would spend more time working on the primary task of reducing the price of a pound of ground beef, and less on criticing the peoples' representatives who, being elected and not appointed, have to answer to the people for their actions and opinions. Enough has already been revealed about the Watergate affair and its ramifications to justify fully an inquiry by a bipartisan committee of the Senate. Mr. Butz may not be cognizant of the fact, but the doubts and the unanswered questions that still permeate the political atmosphere, constitute a very real threat to our democratic processes. As a coequal branch of Government, it is the duty of Congress to conduct an exhaustive, impartial inquiry, having as its goal, the edification of the American people in the matter under study and the development of any legislation deemed appropriate in light of the committee's findings. Hopefully, the fullness and impartiality of the Senate committee's inquiry will go a long way toward restoring the confidence of the people in their government.

It is inevitable that when the select committee begins hearings this week, considerable coverage of the proceedings will be given by the media. But anyone who claims that this national coverage is the raison d'être of the hearings, just does not know the dedication to, and the knowledge of, the constitutional processes of this Nation possessed by the chairman of the committee, the senior Senator from North Carolina.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time.

I suggest the absence of a quorum, and I ask that the time be charged against the time which is now reserved to my control.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the 5 minutes allotted to the leadership, which I held in abeyance, now be transferred to the distinguished Senator from New Jersey (Mr. CASE).

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

(The remarks Senator CASE and Senator CHURCH made at this point on the submission of an amendment to S. 1248, the bill authorizing appropriations for the Department of State, are printed in the RECORD under the appropriate heading in connection with S. 1248.)

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, without prejudice to the distinguished Senator from Kentucky (Mr. COOK), I ask unanimous consent that I may at this time allot such time as he may require to the distinguished Senator from South Dakota (Mr. ABOUREZK) and that it may be charged against my time.

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

(The remarks Senator ABOUREZK made at this point on the introduction of S. 1786, the National Indian Goals and Progress Act, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged against my time.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

TIME VACATED ON REMAINING ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all remaining time under all orders be vacated.

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

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements limited therein to 3 minutes each.

ORDER FOR RECOGNITION OF SENATOR STEVENSON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Illinois (Mr. STEVENSON) be recognized for not to exceed 15 minutes.

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

ORDER FOR RECOGNITION OF SENATOR MOSS ON WEDNESDAY, MAY 16, 1973

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday, after the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Utah (Mr. Moss) be recognized for not to exceed 15 minutes.

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

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE J, 93D CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Agreement Between the United States of America and Canada for Promotion of Safety on the Great Lakes by Means of Radio, 1973, signed at Ottawa on February 26, 1973—Executive J, 93d Congress, first session—transmitted to the Senate on Friday, May 11, 1973, by the President of the United States, and that the agreement 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 ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The message is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Agreement Between the United States of America and Canada for Promotion of Safety on the Great Lakes by Means of Radio, 1973, signed at Ottawa on February 26, 1973. I also transmit for the information of the Senate, the report of the Department of State with respect to the Agreement.

This Agreement will, upon entry into force, terminate the 1952 Agreement for the Promotion of Safety on the Great Lakes by Means of Radio between the United States and Canada and constitutes a significant modernization thereof.

This new Agreement will make a valuable contribution to the protection of lives and property on the Great Lakes. I recommend that the Senate give early and favorable consideration to the Agreement and give its advice and consent to ratification.

RICHARD NIXON.

THE WHITE HOUSE, *May 11, 1973.*

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

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

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the distinguished Senator from Illinois (Mr. STEVENSON) has been recognized, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Mr. COOK, Mr. GRIFFIN, and Mr. ROBERT C. BYRD.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED LEGISLATION FROM DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 136 of title 10, United States Code, and section 5315(1d) of title 5, United States Code, to authorize an additional Assistant Secretary of Defense (with an accompanying paper). Referred to the Committee on Armed Services.

PROPOSED LEGISLATION FROM SECRETARY OF THE TREASURY

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the appointment of alternates for the Governors of the International Monetary Fund and of the International Bank for Reconstruction and Development (with accompanying papers). Referred to the Committee on Foreign Relations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Developing Countries' External Debt and U.S. Foreign Assistance: A Case Study," Department of State, Agency for International Development, dated May 11, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improvements Needed in the Survey of Non-Federal Salaries Used as Basis for Adjusting Federal White-Collar Salaries," dated May 11, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Operations and Activities of the Renegotiation Board," dated May 9, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improvements Needed in System for Managing U.S. Participation in the Asian Development Bank," Department of the Treasury, Department of State, and other agencies, dated May 8, 1973 (with an accompanying report). Referred to the Committee on Government Operations.

PROPOSED CONTRACT WITH COLLINS RADIO CO., CEDAR RAPIDS, IOWA

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with Collins Radio Co., Cedar Rapids, Iowa, for a research project entitled "Hois Radio System for Deep Shafts" (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

PROPOSED CONTRACT WITH SOUTH CAROLINA BASIN IRRIGATION DISTRICT

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed contract with the South Columbia Basin Irrigation District (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION FROM OFFICE OF MANAGEMENT AND BUDGET

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a draft of proposed legislation to establish a Legal Services Corporation, and for other purposes (with accompanying papers). Referred to the Committee on the Judiciary.

PROPOSED LEGISLATION FROM ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend title 28 of the United States Code to provide for the appointment of officers and employees of the Court of Claims, the Court of Customs and Patent Appeals, and the Customs Court, and for other purposes (with an accompanying paper). Referred to the Committee on the Judiciary.

SUPPLEMENTAL PROSPECTS FOR BORDER STATION FACILITY PREVIOUSLY AUTHORIZED FOR ALASKA HIGHWAY, ALASKA

A letter from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a supplemental prospectus for the Border Station Facility previously authorized for the Alaska Highway, Alaska (with accompanying papers). Referred to the Committee on Public Works.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that, on May 11, 1973, he presented to the President of the United States the enrolled bill (S. 394) to amend the Rural

Electrification Act of 1936, as amended, to establish a Rural Electrification and Telephone Revolving Fund to provide adequate funds for rural electric and telephone systems through insured and guaranteed loans at interest rates which will allow them to achieve the objectives of the act, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 355. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for remedies of defects without charge, and for other purposes (Rept. No. 93–150).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 356. A bill to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes (Rept. No. 93–151).

By Mr. SPARKMAN, from the Committee on Banking, Housing, and Urban Affairs:

S. 1798. An original bill to extend for 1 year the authority for more flexible regulation of maximum rates of interest or dividends payable by financial institutions, to amend certain laws relating to federally insured financial institutions (together with additional views) (Rept. No. 93–149).

Mr. SPARKMAN. Mr. President, from the Committee on Banking, Housing and Urban Affairs I report a committee bill dealing with the extension of the authority for flexible regulation of interest rates payable by financial institutions, dealing with the regulation of NOW accounts, dealing with the conversion of mutual savings and loan associations to stock associations, and other matters.

In addition, Mr. President, I request unanimous consent that H.R. 6370, a companion measure to the bill which I have reported, be held at the desk until the Senate has the opportunity to consider our committee bill.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

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. ABOUREZK:

S. 1786. A bill to require an annual authorization for appropriations for Federal programs for the benefit of American Indian people; establish specific annual goals to measure the effectiveness of these programs; improve the delivery of services and assistance; insure effective and continuing congressional oversight; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 1787. A bill to amend title II of the Social Security Act to increase to $2,800 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings. Referred to the Committee on Finance.

By Mr. HUGHES (for himself and Mr. CLARK):

S. 1788. A bill to authorize the modification of the project for flood protection on the Chariton River, Iowa and Missouri, in order to provide for a Federal payment toward the cost of construction of a fish hatchery. Referred to the Committee on Public Works.

By Mr. BENTSEN:

S. 1789. A bill to designate certain lands in the Guadalupe Mountains National Park, Tex., as wilderness; and

S. 1790. A bill to amend section 3(a) of the Wild and Scenic Rivers Act, as amended. Referred to the Committee on Interior and Insular Affairs.

By Mr. FULBRIGHT (by request):

S. 1791. A bill to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service Retirement and Disability System, and for other purposes. Referred to the Committee on Foreign Relations.

By Mr. DOMINICK:

S. 1792. A bill to extend the authorization of appropriations for the Bilingual Education Act, for the Dropout Prevention program, and for section 309 of the Adult Education Act. Referred to the Committee on Labor and Public Welfare.

By Mr. CANNON:

S. 1793. A bill to provide for coverage, under the insurance system established by title II of the Social Security Act, of service performed by employees of the Government Printing Office. Referred to the Committee on Finance.

S. 1794. A bill to amend section 308 of title 44, United States Code, relating to the disbursing officer, deputy disbursing officer, and certifying officers and employees of the Government Printing Office. Referred to the Committee on Rules and Administration.

S. 1795. A bill to authorize the Public Printer to adopt an official Government Printing Office seal, and to designate employees to administer oaths. Referred to the Committee on Rules and Administration.

By Mr. MATHIAS:

S. 1796. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for grants to interstate metropolitan organizations. Referred to the Committee on the Judiciary.

By Mr. SYMINGTON (for himself and Mr. THURMOND) (by request):

S. 1797. A bill to authorize certain construction at military installations and for other purposes. Referred to the Committee on Armed Services.

By Mr. SPARKMAN (from the Committee on Banking, Housing, and Urban Affairs):

S. 1798. A bill to extend for 1 year the authority for more flexible regulation of maximum rates of interest or dividends payable by financial institutions, to amend certain laws relating to Federally insured financial institutions. Placed on the calendar.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1799. A bill to convey to the Ely Indian Colony the beneficial interest in certain Federal land. Referred to the Committee on Interior and Insular Affairs.

S. 1800. A bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians. Referred to the Committee on Interior and Insular Affairs.

By Mr. BIBLE (for himself, Mr. CANNON, Mr. GRAVEL, and Mr. STEVENS):

S. 1801. A bill to authorize certain Indian hospital facilities to be made available to non-Indians under certain conditions. Referred to the Committee on Interior and Insular Affairs.

By Mr. CANNON:

S. 1802. A bill relating to certain authority of the Joint Committee on Printing. Referred to the Committee on Rules and Administration.

S. 1803. A bill to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to employees of the Government Printing Office. Referred to the Committee on Rules and Administration.

By Mr. FONG:

S. 1804. A bill to permit immediate retirement of certain Federal employees. Referred to the Committee on Post Office and Civil Service.

By Mr. RIBICOFF:

S. 1805. A bill to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act to revise certain eligibility conditions for annuities; to change the railroad retirement tax rates; and to amend the Interstate Commerce Act in order to improve the procedures pertaining to certain rate adjustments for carriers subject to part I of the act, and for other purposes. Referred by unanimous consent jointly to the Committees on Commerce, Finance, and Labor and Public Welfare.

By Mr. TUNNEY:

S. 1806. A bill for the relief of Miss Rita Baccega. Referred to the Committee on the Judiciary.

By Mr. TUNNEY (for himself, Mr. CRANSTON, Mr. BENNETT, Mr. BIBLE, Mr. CANNON, Mr. DOMENICI, Mr. DOMINICK, Mr. GOLDWATER, Mr. HANSEN, Mr. HASKELL, Mr. MCGEE, Mr. MONTOYA, and Mr. MOSS):

S. 1807. A bill to authorize the Secretary of the Interior to execute a program of salinity control for the Colorado River, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. RANDOLPH (for himself, Mr. BAKER, Mr. BENTSEN, and Mr. STAFFORD):

S. 1808. A bill to apportion funds for the National System of Interstate and Defense Highways and to authorize funds in accordance with title 23, United States Code, for fiscal year 1974, and for other purposes. Referred to the Committee on Public Works.

By Mr. CHURCH:

S. 1809. A bill to amend the Urban Mass Transportation Act of 1964 to insure ready access to and use of mass transportation facilities by elderly and handicapped persons. Referred to the Committee on Banking, Housing and Urban Affairs.

S. 1810. A bill to amend the Age Discrimination in Employment Act of 1967 to increase coverage under that act, and for other purposes. Referred to the Committee on Post Office and Civil Service.

S.J. Res. 108. A joint resolution to authorize the President to call Mini-White House Conferences on Aging every 2 years. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ABOUREZK:

S. 1786. A bill to require an annual authorization for appropriations for Federal programs for the benefit of American Indian people; establish specific annual goals to measure the effectiveness of these programs; improve the delivery of services and assistance; insure effective and continuing congressional oversight; and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. ABOUREZK. Mr. President, I introduce today, the "National Indian Goals and Progress Act."

As a consequence of their unique and historical relationship with the United

States, Indian people look to the Federal Government for the fulfillment of two major responsibilities that they consider crucial to their individual, family, and community development. These traditional Federal responsibilities include: First, the protection and economic development of Indian lands and other natural resources; and second, the delivery of basic public services to the Indian community.

Since 1824, when the Bureau of Indian Affairs was first established under the War Department, this Federal agency has served as the Government's agent in the fulfillment of these historic responsibilities. When Congress authorized the establishment of the Department of the Interior in 1849, the Bureau of Indian Affairs was transferred to that department's jurisdiction. And in 1954, Congress authorized the transfer of the responsibility for providing health and medical care to Indian people from the Bureau of Indian Affairs to the U.S. Public Health Service of the Department of Health, Education, and Welfare. The Indian Health Service was organized as the entity to administer the separate Federal health program for Indians.

What this all adds up to is the fact that Indians have undoubtedly received more special Federal assistance over the years than any other group of citizens in this country. Yet, when we examine the results of these endeavors, we find that the socioeconomic conditions of the Indians continue to stand out in stark, shameful contrast when compared to the non-Indian population. There is no question in my mind that many of these efforts have never been sufficiently funded to wage the kind of programmatic assault that is so desperately needed to combat effectively the social and economic ills that beset Indians.

A review of key social and economic indicators will serve to illustrate the abject poverty experienced by Indian people and their communities. Educationally, the dropout rate of Indian students is twice the national average and the median number of school years completed by Indians 14 years or older is only 8 years as compared to 10.6 years for the population as a whole. From an economic standpoint, most Indians reside on land marginal in productivity and with limited employment opportunity as evidenced by the fact that the unemployment rate among Indian people is 40 percent which is 10 times the national unemployment rate. Consequently, the median income of an Indian family is $1,900, which is far below that of the national poverty level. More than half of the Indian people live in one- or two-room dwellings with an average occupancy of 5.4 persons. Health statistics are just as bleak; the infant mortality rate among Indian people is 1.5 times as high as that of the general population. Accidents continue as the leading cause of death with a death rate of almost four times that of the general population.

However, I do not want to imply that a massive infusion of Federal funds into the budgets of the Bureau of Indian Affairs and the Indian Health Service will automatically yield dramatic results and progress in the lifestyle of Indians. What is needed, in my view, is more penetrating congressional oversight in to the programs and activities of these two agencies to insure that goals, objectives and priorities are clearly stated; that actual performance is measured against such goals, objectives and priorities; that increased funding levels for existing programs and services are justified; and that new authorizations for appropriations to meet changing Indian demands and needs are properly considered and approved when justified.

At this point I want to bring to the attention of my colleagues a breakdown by general categories of the 1974 fiscal year budget requests of the Bureau of Indian Affairs and the Indian Health Service, the two agencies charged with the responsibility of fulfilling the commitments that are inherent in the Indians' historical and unique relationship with the Federal Government. This information is reflected as follows:

Bureau of Indian Affairs fiscal year 1974 budget request

Education assistance, facilities and services	$184,187,000
Welfare and guidance services	69,312,000
Employment assistance	35,307,000
Law and order	8,266,000
Resources management	85,358,000
Construction	44,000,000
Road construction (liquidation of contract authority)	43,000,000
General administrative expenses	5,319,000
Alaska Native fund	70,000,000
Total	544,749,000

Indian Health Service fiscal year 1974 budget request

ACTIVITIES	
Patient care	$120,793,000
Field Health Services	52,651,000
Administration	3,524,000
Subtotal	176,968,000
CONSTRUCTION	
Hospitals	$5,008,000
Community facilities	530,000
Sanitation facilities	36,179,000
Subtotal	41,717,000
Total	218,685,000

The appropriations requests for these two agencies for the forthcoming fiscal year totals $763,434,000. It is not my purpose to debate the adequacy of these requests in relation to the overwhelming needs of Indian people. However, my basic instincts tell me that they are woefully inadequate, and I am convinced that my proposed legislation will lead to a well-informed answer to that question as well as other problems involved in the budgetary requirements of those two Federal agencies.

What I do want to underscore is that both agencies have based their requests for these funds on several archaic authorizations which are virtually open-ended. As a consequence, Congress is deprived of the opportunity to exercise oversight to determine the effectiveness of their performance. Because of this situation, the hard-working members of the House and Senate Subcommittee on Appropriations must carry the full burden of exercising congressional oversight at the hearings to consider the appropriations requests of the Bureau of Indian Affairs and the Indian Health Service. Given the demands to complete the appropriations hearing process in a short period of time, only a limited degree of oversight can be conducted by these subcommittees concerning the manner in which these two agencies are meeting congressional mandates.

Mr. President, my proposed measure would resolve this dilemma and set in motion a procedure which would provide for intensive and objective monitoring of the two agencies that are charged with important—even lifesaving—responsibilities in the Indian field. In addition, I want to emphasize to the Indian people that my bill provides a clear-cut procedure whereby critical needs can be weighed against actual appropriations to determine if various human and natural resource programs of the Bureau of Indian Affairs and the Indian Health Service are being adequately funded.

Through the process to be set in motion by my bill, it would be possible to insure improved management and effective use of the funds appropriated to support the activities of the Bureau of Indian Affairs and the Indian Health Service.

In addition, it would be possible for Congress to more effectively measure needs against existing appropriations to determine if increased funding for specific programs and activities is warranted.

Moreover, my bill would provide Congress with the appropriate tools to identify those programs and services which have outlived their usefulness to the Indian people. Instead of funding unproductive efforts year after year, these obsolete programs should be discontinued with the funds being redirected to areas of more pressing and clearly identifiable needs.

The "National Indian Goals and Progress Act" would authorize the following major actions:

Require an annual review of the effectiveness of Federal Indian programs and services for the benefit of American Indian people to determine the adequacy and efficacy of such services.

Require that the Secretaries of the Department of the Interior and the Department of Health, Education and Welfare justify to the Congress an annual authorization act to support the Bureau of Indian Affairs and Indian Health Service programs and services conducted for the benefit of American Indians.

Require that these secretaries submit to the Congress an annual appropriation bill for the forthcoming fiscal year.

Establish annual program goals, objectives and priorities for Federal Indian programs and services.

Establish procedures for a careful monitoring of Federal performance in achieving such goals, objectives and priorities.

Insure that adequate financial, human, and other resources are available to achieve the defined goals, objectives and priorities of Federal programs and services conducted for the benefit of American Indian people.

Exempt payments of Indian judgment awards, and payments made under the

Alaska Native Claims Settlement Act of 1971 from the "National Indian Goals and Progress Act."

Finally, my proposed bill includes a separate section to assure the Indian people that nothing in this act shall be construed as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people.

Mr. President, our Government is faced with a constitutional crisis of untold proportions as a result of the usurpation of power over the years by the executive branch. This has contributed to a gradual erosion of congressional power and has placed serious limitations on the ability of this body to exercise any degree of control over the massive bureaucracy.

While the "National Indian Goals and Progress Act" affects only a limited portion of Federal responsibility, that is, the Indian field, it represents an important step in reversing the erosion of congressional power and restoring to this body those traditional prerogatives and powers which will insure that our Government's system of checks and balances will, in fact, work for the benefit of the citizens of this Nation.

As chairman of the Subcommittee on Indian Affairs, I have scheduled this measure for an open public hearing on June 12, 1973. I am hopeful that my colleagues from both sides of the aisle will join with me in cosponsoring this important Indian measure.

I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1786

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 "National Indian Goals and Progress Act".

FINDING

SEC. 2. (a) The Congress hereby finds that Federal programs designed for the benefit and assistance of the American Indian people have not been effective in attaining their stated goals.

(b) Congress further finds that there is a need for continuing oversight of programs and services administered by the Department of the Interior and the Department of Health, Education and Welfare for the benefit of Indian people and that this oversight function is best conducted by requiring an annual authorization of appropriations for these programs and services.

PURPOSE

SEC. 3. It is the purpose of this Act to—

(a) require an annual review of the effectiveness of all major Federal programs and services for the benefit of American Indian people to determine whether fundamental human needs and requirements are being met and Federal responsibilities are being properly fulfilled;

(b) establish specific annual program goals and objectives for individual Indian programs and services and carefully monitor Departmental and agency performance in achieving these goals and objectives; and

(c) insure that the financial, human and other resources are made available to achieve the goals and objectives of programs and services for the benefit of American Indian people.

ANNUAL AUTHORIZATION

SEC. 4. (a) Notwithstanding any other provisions of law, effective with fiscal year 1975, all authority for appropriations for programs for the benefit of American Indian people administered by the Bureau of Indian Affairs in the Department of the Interior and by the Indian Health Service of the Public Health Service in the Department of Health, Education and Welfare shall be granted on an annual basis pursuant to a single annual authorization Act.

(b) The Secretaries of the Department of the Interior and Department of Health, Education and Welfare are directed to prepare and submit to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate, by February 1 of each year, an annual appropriation authorization bill for the fiscal year beginning July 1 which shall include—

(1) specific and detailed requests for appropriation authorizations for programs and services for the benefit of Indian people, including education and welfare service programs, resource management programs, construction programs, Indian health service programs, Indian health facilities programs, and general administrative expenses; and

(2) a detailed statement of the goals and objectives sought to be achieved for each program in the fiscal year covered by the annual appropriation authorization Act.

(3) a list of all statutes and appropriation authorizations covered by this subsection 4(b).

(c) This Act shall not apply to authorizations for the payment of Indian claims judgments, to payments made under the Alaska Native Claims Settlement Act of 1971, or to other programs and services for the assistance and benefit of American Indian people that are not set out in subsection 4(b) and included in the list of authorizations submitted to the Congress pursuant to that subsection.

SEC. 5. Nothing in this Act shall be construed as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people.

By Mr. BEALL:

S. 1787. A bill to amend title II of the Social Security Act to increase to $2,800 the annual amount which individuals may earn without suffering deductions from benefits on account of excess earnings. Referred to the Committee on Finance.

LEGISLATION TO INCREASE THE AMOUNT OF MONEY A SOCIAL SECURITY RETIREE CAN EARN WITHOUT REDUCING HIS BENEFITS

Mr. BEALL. Mr. President, during the last several years a growing debate has surrounded the right of social security beneficiaries to continue working so as to supplement their retirement income. During a series of hearings on the Social Security System conducted by the Special Committee on Aging, of which I am a member, former Commissioner Robert Ball of the Social Security Administration explained in detail the functioning of the Social Security System. He explained recent changes in the social security law, such as the increase in the ceiling on earnings from $1,680 to $2,100 per year with a provision that every $2 a person earns over that amount will result in a $1 reduction in his social security benefits. Thus, it remains profitable for a retiree to continue working even if he earns over the $2,100 ceiling. This $1 loss for every $2 earned over the ceiling was a significant improvement in the Social Security System advocated by the President and enacted by Congress during the last session.

The 92d Congress recognized the need to raise the earning ceiling and I enthusiastically supported this increase. I regret, however, that the compromise increase in last year's legislation was a modest $420. The original Senate version of H.R. 1, would have raised the earning ceiling to $3,000. That was the second time the Senate has supported such an increase in the ceiling but the House of Representatives insisted on a lower figure.

While I am inclined to believe that we should abolish the earnings ceiling altogether, I do not think that such a step should be taken without a thorough congressional review. I have, therefore, decided to introduce an amendment that would raise the ceiling from $2,100 to $2,800. I have selected this figure because it would expand the work opportunities of those senior citizens who are willing and able to contribute their talents to our economic system on something less than a full-time basis.

Mr. President, the legislation I am sending to the desk today seeks to meet two basic problems confronting our Nation. First of all, it would expand, during a period of inflation, the earning capability of many of our retired senior citizens. By supplementing their income through additional earnings, senior citizens can improve their standard of living and enjoy greater independence and comfort in their retirement years.

As the ranking Republican on the Subcommittee on Aging of the Labor and Public Welfare Committee, as well as a member of the Senate Special Committee on Aging, I have been impressed by the willingness and resourcefulness of our Nation's senior citizens to utilize their own talents and resources in overcoming the problems that confront them. Second, my amendment will help to make the talents and resources of our Nation's senior citizens available to our Nation's economy to a greater degree than is presently possible. I strongly believe that senior citizens, for the most part, want to remain active contributing members of the community for as long as possible. America's 20 million senior citizens are largely responsible for the unprecedented wealth and power that our Nation has achieved and I believe that we should not exclude them from actively participating in the economic affairs of our Nation.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the CONGRESSIONAL RECORD at the completion of my remarks.

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

S. 1787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraphs (1), (3), and (4) (B) of section 203(f), and paragraph (1)(A) of section 203 (h), of the Social Security Act are each amended by striking out "$175" and inserting in lieu thereof $233.33".

(b) The amendments made by subsection (a) shall apply with respect to taxable years ending after December 1973.

By Mr. BENTSEN:

S. 1789. A bill to designate certain lands in the Guadalupe Mountains National Park, Tex., as wilderness; and

S. 1790. A bill to amend section 3(a) of the Wild and Scenic Rivers Act, as amended. Referred to the Committee on Interior and Insular Affairs.

Mr. BENTSEN. Mr. President, I am today introducing legislation to protect and conserve two of the most scenic and unspoiled areas in the continental United States. I am referring to the rugged desert wilderness of the Guadalupe Mountains National Park and to the awesome lower canyons that bound the Rio Grande along its banks through the Big Bend National Park and down the southern stretches of the river.

Each of these areas represents a unique portion of the Southwest that encompasses some of the most sparsely inhabited and well-preserved wilderness on the North American Continent. The lower canyons of the Rio Grande can only be compared to such wild river canyons as the Grand Canyon of the Colorado and the Hell's Canyons of the Snake River. The lower canyon regions of the river are so wild and uninhabitable that they remained unexplored and uncharted until the early 1900's.

In approving the National Wild and Scenic Rivers Act the Congress authorized a study of the Rio Grande for protection as a part of the wild river system. The areas I have proposed are an obvious candidate for designation of a wild river and I am recommending that this stretch of the river be included in the wild river system as soon as possible. One need only visit this rugged area and canoe through the sheer cliffs of Mariscal and Boquillas Canyons to experience the majesty and force of this river and to understand why it must be preserved.

The Guadalupe Mountains National Park is located in the western-most region of the State on the Texas-New Mexico border. My bill would designate 46,850 acres of the area within Guadalupe Mountains National Park as a wilderness. This proposal is based upon a recommendation of the National Park Service, and was recommended to the 92d Congress by the Park Service for inclusion in the National Wilderness Preservation System.

The Guadalupe Mountains National Park comprises over 77,000 acres of Chihuahan Desert marked by such prominent mountain peaks as El Capitan and the highest point in Texas, Guadalupe Peak. The most important feature of the wilderness area however is the distinctive relic forest referred to as the Bowl and the unique geology and fragile biology of McKittrick Canyon which is located at the northern edge of the designated area. The entire park is marked by a rugged topography that includes a variety of vegetation which are of considerable scientific interest and a scenic landscape that has made the park a popular addition to the National Park System.

By including these two stretches of Texas wilderness in the Wild River System and the Wilderness Area Preservation System we will set them aside for special protection and restricted development.

Despite their rugged appearance both areas are parts of ecological systems that are easily damaged and difficult to repair. The life cycle of a desert ecology is literally a slow-motion sequence. The vegetation and relict trees of the Guadalupe Mountains have already suffered damage due to extensive use of the park. We must act now to insure that this natural heritage is saved for future enjoyment and scientific study.

Likewise, the steep canyons and rugged banks of the Rio Grande are susceptible to the blight of unregulated development or improper use that often follows upon the popular use of such a scenic area. In each of these cases we must be willing to take a stand and to leave these works of nature unmarred by the designs of man. Conservation for conservation's sake is more than justified when one is speaking of such spectacular beauty as contained in these two regions of Texas.

I urge the Committee on Interior and Insular Affairs to give these two measures prompt and favorable consideration.

By Mr. FULBRIGHT (by request):

S. 1791. A bill to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes. Referred to the Committee on Foreign Relations.

AMENDMENT OF THE FOREIGN SERVICE ACT OF 1946

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to amend title VIII of the Foreign Service Act of 1946, as amended, relating to the Foreign Service retirement and disability system, and for other purposes.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Acting Assistant Secretary of State to the Vice President dated April 19, 1973.

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

S. 1791

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 "Foreign Service Retirement Amendments of 1973".

TITLE I—AMENDMENTS OF TITLE VIII OF FOREIGN SERVICE ACT

FSS PARTICIPATION

SEC. 101. (a) Section 803 of the Foreign Service Act of 1946 (22 U.S.C. 801–1159) is amended by adding the following subparagraph at the end of paragraph (a) thereof:

"(4) All Foreign Service staff officers and employees appointed by the Secretary of State or the Director of the United States Information Agency with unlimited appointments."

(b) Section 803 of such Act is further amended by changing the reference at the end of subparagraph (b)(2) from "852(b)" to "811".

(c) Section 803 of such Act is further amended by deleting paragraph (c) thereof.

DEFINITIONS

SEC. 102. (a) The heading of section 804 of such Act is amended to read "DEFINITIONS".

(b) Section 804 of such Act is amended by deleting paragraph (a), the preface in paragraph (b), and subparagraphs (b)(1), (2) and (3) and substituting the following in lieu thereof immediately following the section number:

"When used in this title unless otherwise specified, the term—

"(a) 'Annuitant' means any person including a former participant or survivor who meets all requirements for an annuity from the Fund under the provisions of this or any other Act and who has filed claim therefor.

"(b) 'Surviving spouse' means the surviving wife or husband of a participant or annuitant who, in the case of a death in Service or marriage after retirement, was married to the participant or annuitant for at least two years immediately preceding his or her death or is the parent of a child born of the marriage.

"(c) 'Child' except in section 841 means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant, the term includes (i) an adopted child, (ii) a stepchild or recognized natural child who received more than one-half support from the participant, and (iii) a child who lived with and for whom a petition of adoption was filed by a participant, and who is adopted by the surviving spouse of the participant after the latter's death. 'Child' also means an unmarried student below the age of twenty-two years. For this purpose a child whose twenty-second birthday occurs before July 1 or after August 31 of a calendar year, and while a student, is deemed to have become twenty-two years of age on the first day of July after that birthday.

"(d) 'Student' means a child regularly pursuing a fulltime course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years, semesters, or terms if the interim or other period of nonattendance does not exceed five calendar months and if the child shows to the satisfaction of the Secretary that he or she has a bona fide intention of continuing to pursue such course during the school year, semester, or term immediately following the interim.

"(e) 'Military and naval service' means honorable active service—

"(A) in the Armed Forces of the United States;

"(B) in the Regular or Reserve Corps of the Public Health Service after June 30, 1960; or

"(C) as a commissioned officer of the National Oceanic and Atmospheric Administra-

tion or predecessor organization after June 30, 1961;

but does not include service in the National Guard except when ordered to active duty in the service of the United States."

(c) Section 804 of such Act is further amended (A) by renumbering present subparagraphs "(b)(4)", "(5)" and "(6)" as "(f)", "(g)" and "(i)", respectively and (B) by adding the following as a new paragraph immediately following renumbered paragraph (g):

"(h) 'Foreign Service normal cost' means the level percentage of payroll required to be deposited in the Fund to meet the cost of benefits payable under the System (computed in accordance with generally accepted actuarial practice on an entry-age basis) less the value of retirement benefits earned under another retirement system for Government employees and less the cost of credit allowed for military service."

CONTRIBUTIONS

SEC. 103. (a) The heading of Part B of Title VIII of such Act is amended to read "CONTRIBUTIONS TO THE FUND".

(b) Section 811 of such Act is amended by adding the following paragraphs at the end thereof:

"(c)(1) If an officer or employee under another retirement system for Government employees becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits that would otherwise be refundable on separation including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

"(2) No officer or employees, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which required contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by paragraph (d) of this section.

"(d) Any participant credited with civilian service after July 1, 1924 (1) for which, for any reason whatsoever, no retirement contributions, deductions, or deposits have been made or (2) for which a refund of such contributions, deductions, or deposits has been made which has not been redeposited, may make a special contribution to the Fund equal to the following percentages of basic salary received for such services:

Service and Percent of Basic Salary

From July 1, 1924, to October 15, 1960, inclusive	5
From October 16, 1960, to December 31, 1969, inclusive	6½
On and after January 1, 1970	7

Notwithstanding the foregoing, a deposit for prior nondeposit service as a National Guard technician which would be creditable under subchapter III, chapter 83, title 5 of the United States Code toward Civil Service retirement and for which a special contribution has not been made, shall be equal to the deposit for such service computed in accordance with the above schedule multiplied by the percentage of such service that is creditable under section 851. Special contributions shall include interest computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. Interest shall be compounded at the rate of 4 percentum per annum to December 31, 1974, and at 3 percentum per annum thereafter. No interest shall be charged on special contributions made after the date of enactment of the Foreign Service Retirement Amendments of 1973 for any period of separation from Government service which began before October 1, 1956. Special contributions may be paid in installments when authorized by the Secretary.

"(e) For purposes of a survivor annuity, a survivor of a deceased participant or annuitant may make a special contribution.

"(f) No contributions shall be required for any periods of military or naval service.

"(g) A participant or survivor may make a special contribution anytime before receipt of annuity and may authorize payment by offset against initial annuity accruals."

COMPUTATION OF ANNUITIES

SEC. 104. (a) The heading of Part C of Title VIII of such Act is amended to read

"COMPUTATION AND PAYMENT OF ANNUITIES"

(b) Paragraph (a) of section 821 of such Act is amended (A) by striking the phrase "for which full contributions have been made to the Fund" each time it appears and by striking the commas immediately preceding and following such phrase the first time it appears, (B) by striking ", 852" and (C) by adding the following sentence at the end: "The annuity shall be reduced by 10 percentum of any special contribution described in section 811(d) due for service for which no contributions were made and remaining unpaid unless the participant elects to eliminate the service involved for purposes of annuity computation."

(c) Paragraph (b) of section 821 of such Act is amended to read as follows:

"(b)(1) Unless elected in writing to the contrary at the time of retirement, any married participant shall receive a reduced annuity and provide a maximum survivor annuity for his or her spouse. Such a participant's annuity or any portion thereof designated in writing by the participant as the base for the survivor benefit shall be reduced by 2½ per centum of the first $3,600 plus 10 per centum of any amount over $3,600. If an annuitant entitled to receive a reduced annuity under this paragraph dies and is survived by a spouse, a survivor annuity shall be paid to the surviving spouse equal to 55 per centum of the full amount of the participant's annuity computed under paragraph (a) of this section, or by 55 per centum of any lesser amount the annuitant designated at the time of retirement as the base for the survivor benefit.

"(2) An annuity payable from the Fund to a surviving spouse shall commence on the day after the annuitant dies and shall terminate on the last day of the month before the survivor's (A) remarriage prior to attaining age sixty or (B) death. If a survivor annuity is terminated because of remarriage under (A) above, it shall be restored at the same rate commencing on the date such remarriage is terminated provided any lump sum paid upon termination of the annuity is returned to the Fund."

(d) Paragraph (d) of section 821 of such Act is amended by adding the following sentence at the end: "If the annuity to a surviving child is initiated or resumed, the annuities of any other children shall be recomputed and paid as though the annuity to such child had never been discontinued."

(e) Paragraph (e) of section 821 of such Act is amended to read as follows:

"(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the day after the participant dies or if the child is not then qualified, on the first day of the month in which the child becomes or again becomes a student. A child's annuity shall terminate on the last day of the month which precedes the month in which eligibility ceases."

(f) Paragraph (f) of section 821 of such Act is amended by (A) changing "50" to "55" in the first sentence and (B) changing the last sentence to read as follows: "The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the day after the annuitant dies and shall terminate on the last day of the month preceding the survivor's death."

(g) Section 821 of such Act is further amended by adding the following new paragraphs at the end:

"(g) An annuitant who was unmarried at retirement and who later marries may, within one year after such marriage, irrevocably elect in writing a reduced annuity with benefit to any surviving spouse who qualifies under section 804(b). The reduction in annuity shall be effective the first day of the month after notice of the election is received by the Secretary. Receipt by the Secretary of notice of an election under this paragraph voids prospectively any election previously made under paragraph (f). The reduction in annuity required by an election under this paragraph shall be computed and the amount of the survivor annuity shall be determined as if the election were made under paragraph (b)(1). The annuity reduction or recomputation shall be effective the first day of the month after notice of the election is received by the Secretary.

"(h) A surviving spouse shall not become entitled to a survivor annuity or to the restoration of a survivor annuity payable from the Fund unless the survivor elects to receive it instead of any other survivor annuity to which he or she may be entitled under this or any other retirement system for Government employees.

"(i) Any married annuitant who reverts to retired status with entitlement to a supplemental annuity under section 871 shall unless the annuitant elects in writing to the contrary at that time, have the supplemental annuity reduced by 10 per centum, to provide a supplemental survivor annuity for his or her spouse. Such supplemental survivor annuity shall be equal to 55 per centum of the annuitant's supplemental annuity and shall be payable to a surviving spouse to whom the annuitant was married at the time of reversion to retired status or to whom the annuitant had been married for at least two years at the time of death or who is the parent of a child born of the marriage."

PAYMENT OF ANNUITIES

SEC. 105. Part C of title VIII of such Act is further amended by adding the following new section at the end:

"SEC. 822. (a) Except as otherwise provided, the annuity of a participant who has met the eligibility requirements for annuity shall commence on the day after separation from the Service or on the day after pay ceases. The annuity of a former participant who is entitled to a deferred annuity under section 834 or under any other section of this Act shall begin on the day he or she reaches age 60.

"(b) The annuity to a survivor shall become effective as otherwise specified but shall not be paid until the survivor submits an application therefor supported by such proof of eligibility as the Secretary may require. If such application or proof of eligibility is not submitted during an otherwise eligible person's lifetime, no annuity shall be due or payable to his or her estate.

"(c) An individual entitled to annuity from the Fund may decline to accept all or any part of the annuity by submitting a signed waiver to the Secretary. The waiver may be revoked in writing at any time. Payment of the annuity waived may not be made for the period during which the waiver was in effect.

"(d) Recovery of overpayments under this title may not be made from an individual when, in the judgment of the Secretary, the individual is without fault and recovery would be against equity and good conscience."

DISABILITY ANNUITIES—TECHNICAL CHANGE

SEC. 106. Section 831 of such Act is amended (A) by striking the phrase "that is credited in accordance with provisions of section 851 or 852(a)(2)" from paragraph (a) thereof; (B) by striking "(a)" following "section 841" in paragraph (c) thereof; (C) by amending paragraph (d) thereof to read as follows: "(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself or herself under subchapter 1 of chapter 81, title 5, United States Code, covering the same period of time except that a participant may simultaneously receive both an annuity under this section and scheduled disability payments under 5 U.S.C. 8107. This provision shall not bar the right of any claimant to the greater benefit conferred by either this Act or such subchapter for any part of the same period of time. Neither this provision nor any provision of such subchapter shall be so construed as to deny the right of any participant to receive an annuity under this Act and to receive concurrently any payment under such subchapter by reason of the death of any other person."; and (D) by striking the phrase "section 14 of the Act of September 16, 1916, as amended" from paragraph (e) thereof and substituting "5 U.S.C. 8135" in lieu thereof.

DEATH IN SERVICE

SEC. 107. (a) Section 832 of such Act is amended by revising paragraphs (a), (b), (c), and (d) to read as follows:

"(a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, the lump-sum credit shall be paid in accordance with section 841.

"(b) If a participant who has at least eighteen months of civilian service credit toward retirement under the System dies before separation or retirement from the Service and is survived by a spouse, such surviving spouse shall be entitled to an annuity equal to 55 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a).

"(c) If a participant who has at least eighteen months of civilian service credit toward retirement under the System dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with paragraphs (c)(1) and (d) of section 32.

"(d) If a participant who has at least eighteen months of civilian service credit toward retirement under the System dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with paragraphs (c)(2) and (d) of section 821."

(b) Section 832 of such Act is further amended by adding the following new paragraphs at the end:

"(f) If any annuitant who elected a reduced annuity dies in Service after being recalled under section 520(b) and is survived by a spouse entitled to a survivor annuity based on such an election, such survivor annuity shall be computed as if the recall service had otherwise terminated on the day of death and the deceased's annuity had been resumed in accordance with section 871. If such a death occurs after the annuitant has completed sufficient recall service to attain eligibility for a supplemental annuity, a surviving spouse, in addition to any other benefits, shall be entitled to a supplemental survivor annuity computed under section 821(i) as if the recall service had otherwise terminated. If the annuitant had completed sufficient recall service to attain eligibility to have his or her annuity determined anew, a surviving spouse may elect, in lieu of any other benefit under this title, to have the annuitant's rights redetermined and to receive a survivor annuity computed under paragraph (b) of this section on the basis of the annuitant's total service.

"(g) Annuities that become payable under this section shall commence, terminate and be resumed in accordance with paragraphs (b)(2) or (e) of section 821, as appropriate."

DISCONTINUED SERVICE—TECHNICAL CHANGE

SEC. 108. Section 834 of such Act is amended (A) by striking "(a)" immediately following "SEC. 834."; (B) by striking the phrase "that is credited in accordance with the provisions of section 851 or 852(a)(2) from the first paragraph thereof; and (C) by deleting paragraph (b) thereof.

LUMP-SUM PAYMENTS

SEC. 109. Part E of Title VIII of such Act is amended to read as follows:

"PART E—LUMP-SUM PAYMENTS

"SEC. 841. (a) 'Lump-sum credit' as used in this title means the compulsory and special contributions to a participant's or former participant credit in the Fund plus interest thereon compounded at 4 per centum per annum to the date of separation or December 31, 1974, whichever is earlier, and after such date for a participant who separates from the Service after completing at least one year of civilian service and before completing five years of such service, at the rate of 3 per centum per annum to the date of separation. Interest shall not be paid for a fractional part of a month in the total service or on compulsory and special contributions from an annuitant for recall service or other service performed after the date of separation which forms the basis for annuity.

"(b) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the lump-sum credit shall be paid to the participant.

"(c) Whenever an annuitant becomes separated from the Service following a period of recall service without becoming eligible for a supplemental or recomputed annuity under section 871, the annuitant's compulsory contributions to the Fund for such service together with any special contributions the annuitant may have made for other service performed after the date of separation from the Service which forms the basis for annuity shall be returned without interest.

"(d) If all annuity rights under this title based on the service of a deceased participant or annuitant terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid in the order of precedence shown in paragraph (g) of this section.

"(e) If a participant or former participant dies and is not survived by a person eligible for an annuity under this title or by such a person or persons all of whose annuity rights terminate before a claim for survivor anuity is filed, the lump-sum credit shall be paid in accordance with paragraph (g) of this section.

"(f) If an annuitant who was a former participant dies, annuity accrued and unpaid, shall be paid in accordance with paragraph (g) of this section.

"(g) Payments authorized in paragraphs (d) through (f) of this section shall be paid in the following order of precedence to such person or persons surviving the paricipant and alive on the date entitlement to the payment arises, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person.

"(1) To the beneficiary or beneficiaries last designated by the participant before or after retirement in a signed and witnessed writing received by the Secretary prior to the participant's death. For this purpose a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed shall have no force or effect;

"(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

"(3) If none of the above, to the child or children of such participant (including adopted and natural children but not stepchildren) and descendants of deceased children by representation;

"(4) If none of the above, to the parents of such participant or the survivor of them;

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

"(6) If none of the above, to other next of kin of such participant as may be determined in the judgment of the Secretary to be legally entitled thereto except that no payment shall be made pursuant to this subparagraph until after the expiration of thirty days from the death of the participant or annuitant.

"(h) Annuity accrued and unpaid on the death of a survivor annuitant shall be paid in the following order of precedence, and the payment bars recovery by any other person: First, to the duly appointed executor or administrator of the estate of the survivor annuitant; second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such survivor annuitant, to such person as may be determined by the Secretary to be entitled under the laws of the survivor annuitant's domicile at the time of death."

CREDITABLE SERVICE

SEC. 110. (a) The heading of section 851 of such Act is amended to read as follows: "CREDITABLE SERVICE".

(b) Paragraph (a) of section 851 of such Act is amended to read as follows:

"(a) Except as otherwise specified by law, all periods of civilian and military service and periods of absence and separation therefrom completed by a participant through the date of final separation from the Service that would be creditable, as determined by the Secretary, under 5 U.S.C. 8332 toward retirement under the Civil Service Retirement and Disability System, if performed by an employee under that system, shall be creditable for purposes of this title. Conversely, any such service that is not creditable under specified conditions under 5 U.S.C. 8332 shall be excluded under this title under the same conditions."

(c) Section 851 of such Act is further amended by adding the following new paragraphs at the end thereof:

"(c)(1) A participant who enters on approved leave without pay to serve as a full-time officer or employee of an organization composed primarily of Government employees may, within 60 days after entering on that leave without pay, file with the employing agency an election to receive full retirement credit for such periods of leave without pay and arrange to pay concurrently into the Fund through the employing agency, amounts equal to the retirement deductions and agency contributions on the Foreign Service salary rate that would be applicable if the participant were in a pay status. If the election and all payments provided by this paragraph are not made for the periods of such leave without pay occurring after the effective date of this paragraph, the participant may not receive any credit for such periods of leave without pay occurring after such date.

"(c)(2) A participant may make a special contribution in accordance with section 811 for any period or periods of approved leave without pay while serving, before the effective date of this paragraph, as a full-time officer or employee of an organization composed primarily of Government employees. Any such contribution shall be based upon the suspended Foreign Service salary rate. A participant who makes such a contribution shall be allowed full retirement credit for the period or periods of leave without pay. If the deposit is not made in full, retirement credit shall be allowed for so much of the periods of leave without pay as do not exceed 6 months in the aggregate in any calendar year.

"(d) A participant who has received a refund of retirement contributions (which has not been repaid) under this or any other retirement system for Government employees covering service which may be creditable, may make a special contribution for such service pursuant to section 811. Credit may not be allowed for service covered by the refund unless the special contribution is made.

"(e) No credit in annuity computation shall be allowed for any period of civilian service during which a participant was covered under another retirement system for Government employees unless 1) the right to any annuity under the other system which is based on such service is waived and 2) a special contribution is made covering such service pursuant to section 811.

"(f) A participant who during the period of a war, or of a national emergency as proclaimed by the President or declared by the Congress, leaves the Service to enter the military service is deemed, for the purpose of this title, as not separated from the Service unless the participant applies for and receives a lump-sum payment under section 841. However, the participant is deemed to be separated from the Service after the expiration of five years of such military service."

FUNDING NORMAL COST

SEC. 111. Section 865 of such Act is amended (A) by inserting "(a)" immediately after "SEC. 865," and (B) by adding the following new paragraph at the end thereof:

"(b) At the end of each fiscal year, the Secretary shall notify the Secretary of the Treasury of the amount of the Foreign Service normal cost for that year which was not met by contributions under section 811(a). Before closing the accounts for that year, the Secretary of the Treasury shall credit such amount to the Fund as a Government contribution out of any money in the Treasury of the United States not otherwise appropriated. The Secretary shall report to the President and to the Congress the sums credited to the Fund under this section."

ANNUITY ADJUSTMENT FOR RECALL SERVICE

SEC. 112. Section 871 of such Act is amended to read as follows:

"SEC. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) shall, while so serving, be entitled in lieu of annuity to the full salary of the class in which serving. During such service, the recalled annuitant shall make contributions to the Fund in accordance with the provisions of section 811. On the day following termination of the recall service, the former annuity shall be resumed adjusted by any cost-of-living increases(s) under section 882 that became effective during the recall period. If the recall service lasts less than one year, the annuitant's contributions to the Fund during recall service shall be refunded in accordance with section 841. If the recall service lasts more than one year, the annuitant may, in lieu of such refund, elect a supplemental annuity computed under section 821 on the basis of service credit and average salary earned during the recall period irrespective of the number of years of service credit previously earned. If the recall service continues for at least five years, the annuitant may elect, in lieu of having his or her former annuity resumed and supplemented as provided in this paragraph, to have his or her annuity determined anew under section 821. Any annuitant who is recalled under section 520(b) may, upon written application, count as recall service any prior service that is creditable under section 851 that was performed after the separation upon which his or her annuity is based."

VOLUNTARY CONTRIBUTIONS

SEC. 113. (a) Amend paragraph (a) of section 881 of such Act by deleting the portion of such paragraph that precedes subparagraph (1) thereof and substitute the following in lieu thereof:

"(a) The voluntary contribution account shall be the sum of unrefunded amounts heretofore voluntarily contributed by any participant or former participant under this section or under a prior corresponding provision of law, plus interest compounded at the rate of 3 per centum per annum to date of separation from the Service or in case of a participant or former participant separated with entitlement to a deferred annuity to the date the voluntary contribution account is claimed, or to the commencing date fixed for the deferred annuity or to the date of death, whichever is earlier. A participant's or former participant's account shall, effective on the date the participant becomes eligible for an annuity or a deferred annuity and at the participant's election, be—"

(b) Section 881 of such Act is further amended by deleting paragraphs (c) and (d) thereof and by adding the following new paragraph in lieu thereof:

"(c) A voluntary contribution account shall be paid in a lump sum following receipt of an application therefor from a present or former participant provided application is filed prior to payment of any additional annuity. If not sooner paid, the account shall be paid at such time as the participant separates from the Service for any reason without entitlement to an annuity, or a deferred annuity or at such time as a former participant dies or withdraws compulsory contributions to the Fund. In case of death, the account shall be paid in the order of precedence specified in section 841 (g)."

COST-OF-LIVING ADJUSTMENTS

SEC. 114. (a) Paragraphs (a), (b) and (c) of section 882 of such Act are amended to read as follows:

"(a) A cost-of-living annuity increase shall become effective under this section on the effective date of each such increase under title 5, United States Code, section 8340(b), as amended. Each such increase shall be applied to each annuity payable from the Fund which has a commencing date not later than the effective date of the increase.

"(b) The first annuity increase under this section after the effective date of this paragraph shall equal 1 per centum plus the per centum rise in the price index, adjusted to the nearest one-tenth of 1 per centum, between the month last used to establish an increase under this section and the base month used to establish the concurrent increase under title 5, United States Code, section 8340(b), as amended. Each subsequent annuity increase under this section shall be identical to the corresponding percentage increase under title 5, United States Code, section 8340(b), as amended.

"(c) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the Fund as of the effective date of an increase except as follows:

"(1) Effective from its commencing date, an annuity payable from the Fund to an annuitant's survivor, except a child entitled under section 821(c) or 832 (c) or (d), shall be increased by the total per centum increase the annuitant was receiving under this section at death.

"(2) For purposes of computing or recomputing an annuity to a child under section 821 (c) or (d) or 832 (c) or (d), the items $900, $1,080, $2,700, and $3,240 appearing in section 821(c) shall be increased by the total per centum increases by which corresponding amounts are being increased under 5 U.S.C. 8340 on the date the child's annuity becomes effective."

(b) Section 882 of such Act is further amended by adding the following new paragraph at the end thereof:

"(f) Effective with the first day of the second month which begins after the date of enactment of the Foreign Service Retirement Amendments of 1973 or on the commencing date of an annuity, whichever is later, the annuity of each surviving spouse whose entitlement to annuity resulted from the death—

"(1) before enactment of the said Amendments, of a participant or a former participant entitled to benefits under section 634 (b); or (2) of an annuitant who, prior to enactment of the said Amendments elected a reduced annuity under this or any other act in order to provide a spouse's survivor annuity—

is increased by 10 per centum."

REPEALS

SEC. 115. Such Act is further amended by deleting sections 833, 852, and 854, and the headings thereto.

TITLE II—OTHER FOREIGN SERVICE ACT AMENDMENTS

RECALL

SEC. 201. (a) The heading of section 520 of such Act is amended to read "REAPPOINTMENT AND RECALL".

(b) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) Whenever the Secretary determines it to be in the public interest, any retired officer or employee of the Service may be recalled for active duty on a temporary or limited basis to any appropriate class in his or her former category, except that a retired Foreign Service officer may not be recalled to a class higher than he or she held at the time of retirement."

RETIREMENT OF CAREER AMBASSADORS

SEC. 202. Section 631 and the heading thereto of such Act are amended to read as follows:

"FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS

"SEC. 631. Any Foreign Service officer who is a career ambassador, other than one occupying a position as chief of mission or any other position to which appointed by the President, by and with the advice and consent of the Senate, shall be retired from the Service at the end of the month in which the officer reaches age sixty-five and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, such an officer may be retained on active service for a period not to exceed five years. Any such officer who completes a period of authorized service after reaching age sixty-five shall be retired at the end of the month in which such service is completed."

RETIREMENT OF PARTICIPANTS WHO ARE NOT CAREER AMBASSADORS

SEC. 203. Section 632 and the heading thereto of such Act are amended to read as follows:

"PARTICIPANTS IN THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM WHO ARE NOT CAREER AMBASSADORS

"SEC. 632. Any participant in the Foreign Service retirement and disability system, other than one occupying a position as chief of mission or any other position to which appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador shall be retired from the Service at the end of the month in which the participant reaches age sixty and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, such a participant may be retained on active service for a period not to exceed five years. Any such participant who completes a period of authorized service after reaching age sixty shall be retired at the end of the month in which such service is completed."

SELECTION-OUT BENEFITS—TECHNICAL CHANGE

SEC. 204. Paragraph (b) of section 634 of such Act is amended by striking from subparagraph (2) thereof:

(A) ", with interest" after the words "Disability Fund" the first time the latter appears;

(B) "(a)" after "section 841" the first time the latter appears;

(C) "that is credited in accordance with the provisions of section 851 or 852(a)" after "naval service";

(D) ", with interest as provided in section 841(a)," after "Disability Fund" the last time the latter appears; and

(E) "(b)" after "section 841" the last time the latter appears.

SEPARATION FOR CAUSE—TECHNICAL CHANGE

SEC. 205. Section 637 of such Act is amended by striking from the first sentence of paragraph (b) thereof:

(A) ", with interest" after "Disability Fund";

(B) "(a)" after "section 841"; and

(C) "that is credited in accordance with the provisions of section 851 or 852(a)" after "naval service".

Such paragraph (b) is further amended by striking the last sentence thereof in its entirety.

TITLE III—TEMPORARY AND TRANSITIONAL PROVISIONS

CONVERSION TO FOREIGN SERVICE RETIREMENT SYSTEM

SEC. 301. (a) In accordance with such regulations as the President may prescribe, all Foreign Service staff officers and employees with unlimited appointments who (a) have been appointed by the Secretary of State or the Director, United States Information Agency, and (b) are participants in the Civil Service Retirement and Disability System on the effective date of this section, shall be transferred to the Foreign Service Retirement and Disability System effective on such date. Their retirement contributions shall be transferred in accordance with section 811 of the Foreign Service Act of 1946, as amended by this Act.

(b) Section 632 of the Foreign Service Act of 1946, as amended, shall not apply to any Foreign Service staff officer or employee appointed by the Secretary of State who becomes a participant in the Foreign Service Retirement and Disability System pursuant to paragraph (a) of this section until such officer or employee completes 10 years of continuous service in the Foreign Service of the Department of State, exclusive of military service.

(c) Any Foreign Service staff officer or employee appointed by the Director of the United States Information Agency who becomes a participant in the Foreign Service Retirement and Disability System under paragraph (a) of this section, shall, for purposes of determining the date of mandatory retirement under section 9(c) of the Act of August 20, 1968 (82 STAT. 812), be deemed to have become a participant pursuant to section 9(b) of such Act: *Provided*, That section 9(c) of such Act shall not apply until such an officer or employee completes 10 years of continuous service, exclusive of military service, in the Foreign Service of the United States Information Agency.

(d) Any Foreign Service staff officer or employee who becomes a participant in the Foreign Service Retirement and Disability System pursuant to paragraph (a) of this section who is age 57 or over on the effective date of this section may retire voluntarily at any time prior to mandatory retirement and receive retirement benefits under section 821 of the Foreign Service Act of 1946, as amended.

(e) Section 9(b) of the Act of August 20, 1968 (82 Stat. 812) is repealed on the effective date of this section.

GRANTS TO CERTAIN WIDOWS AND SURVIVOR ANNUITY ELECTIONS

SEC. 302. (a) A Foreign Service annuitant who was married at the time of retirement whose service terminated prior to October 16, 1960, and who has not elected any survivor benefit, may, within one hundred and twenty days after the date of enactment of this Act, elect a reduction in his or her annuity of $300 per annum and provide a survivor benefit of $2,400 per annum payable to the annuitant's surviving spouse provided the marriage had been in effect for at least two years at the time of death or resulted in the birth of a child. The survivor annuity shall commence, terminate and be resumed as if it had been elected under section 821(b) of the Foreign Service Act of 1946, as amended by this Act.

(b) An annuitant who makes an election under paragraph (a) of this section shall pay into the Foreign Service Retirement and Disability Fund an amount equal to $25 times the number of full months between the commencing date of his or her annuity and the first of the month following receipt of notice of the election by the Secretary of State. This amount may be paid into said Fund by deduction from annuity in multiples of $25 per month: The annuity reduction under paragraph (a) of this section and the deduction under this paragraph shall commence effective the first of the month following receipt of notice of the election by the Secretary of State. The deduction under this paragraph shall continue until the required amount has been paid into said Fund or until the annuitant's death, whichever occurs first; and if the latter, any remaining portion of such required amount shall be deemed to have been paid.

(c) If a Foreign Service annuitant who separated from the Foreign Service prior to October 16, 1960, died before the date of enactment of this Act or dies within one hundred and twenty days after such date of enactment leaving a spouse to whom married at retirement who is not entitled to receive a survivor annuity under the terms of 5 U.S.C. 8133 or any law authorizing payment from the Foreign Service retirement and Disability Fund and who qualifies under section 821(h) of the Foreign Service Act of 1946, as amended by this Act, the Secretary of State shall grant such surviving spouse, if not remarried prior to age 60, an annuity, to be payable from such Fund in the amount of $2,400 per annum adjusted by all cost-of-living increases received by widows granted annuities under section 4 of the Act of October 31, 1965 (79 Stat. 1130). An annuity to a surviving spouse who remarried prior to age 60 may be initiated or resumed under this paragraph in accordance with the provisions of paragraphs (b) and (h) of section 821 of the Foreign Service Act of 1946, as amended, if such remarriage has terminated or terminates in the future.

EFFECTIVE DATES

SEC. 303. (a) Section 301 of this Act and sections 803 and 881 of the Foreign Service Act of 1946 as amended by this Act shall be effective on the first day of the first pay period which begins more than 90 days after enactment of this Act.

(b) Effective on the last day of the first month which ends after the enactment of this Act, all Foreign Service survivor annuities then in effect shall terminate on the last day of a month in accordance with the provisions of paragraphs (b) (2), (e) and (f) of section 821 of the Foreign Service Act of 1946 as amended by this Act.

(c) The amendment of section 804 of the Foreign Service Act of 1946 made by this Act broadening eligibility for children's survivor annuities shall apply to all surviving children regardless of the date of death of the principal.

(d) Paragraph (g) of section 821 of the Foreign Service Act of 1946 as added by this Act shall apply to both present and future Foreign Service annuitants. Any annuitant who married after retirement but prior to the date of enactment of this Act may make an election under said paragraph (g) provided notice of the election is received by the Secretary of State within one year after such date of enactment.

(e) If an annuitant dies on or after January 8, 1971, who, prior to enactment of this Act, elected a reduced annuity with a benefit to a surviving spouse, and is survived by a spouse acquired after such election who qualifies under section 804(b) of the Foreign Service Act of 1946, as amended by this Act, such surviving spouse shall be entitled to an annuity computed under the law in effect at the time of such election and in accordance with all other applicable statutes. Such an annuity shall commence, terminate and be resumed in the same manner as an annuity payable under section 821(b) of the said Foreign Service Act:

(f) Paragraph (a) of section 822 of the Foreign Service Act of 1946 as added by this Act shall be effective on the first day of the first month which begins on or after enactment of this Act.

(g) Paragraph (a) of section 841 of the Foreign Service Act of 1946 as amended by this Act shall not apply to participants separated from the Foreign Service prior to the date of enactment of this Act nor to their survivors. All payments from the Foreign Service retirement fund that become due on and after such date of enactment shall be paid in the order of precedence specified in such section 841 irrespective of the date of separation.

(h) Paragraph (c) of section 851 of the Foreign Service Act of 1946 as added by this Act shall be effective on the first day of the first pay period that begins more than 30 days after enactment of this Act. A participant who is on approved leave without pay and is serving as a full-time officer or employee of an organization composed primarily of Government employees on such effective date shall have 60 days from such date to file an election under paragraph (c) of said section 851.

(i) paragraph (f) of section 851 of the Foreign Service Act of 1946 as added by this Act shall apply, in addition to present participants, to former participants who separated from the Foreign Service to enter the Armed Forces within the five-year period immediately preceding the date of enactment of this Act and who are members of he Armed Forces on such date of enactment.

(j) The annuity of a survivor who becomes immediately eligible for an annuity under paragraph (c) of section 302 of this Act or paragraphs (c) or (e) of this section shall become effective the first day of the first month which begins after enactment of this Act. However, payment shall be made only after receipt by the Department of State of such application for annuity and such proof of eligibility as the Secretary may require. If such application and proof of eligibility are not submitted during an otherwise eligible person's lifetime, no annuity shall be due or payable to his or her estate.

(k) The amendment of paragraphs (a) and (b) of section 882 of the Foreign Service Act of 1946 made by this Act shall be effective on the fifteenth day of the third month which begins after enactment of this Act.

(l) The amendment of sections 631 and 632 of the Foreign Service Act of 1946 made by this Act are effective upon enactment, except that any Foreign Service officer who is or becomes a career minister and who is not occupying a position to which appointed by the President, by and with the advice and consent of the Senate, shall be mandatorily retired for age in accordance with the schedule below and receive benefits under section 821 of the Foreign Service Act of 1946, as amended, unless the Secretary determines it to be in the public interest to extend such officer's service for a period not to exceed five years:

RETIREMENT SCHEDULE

(1) Any career minister who reaches age sixty-five during the month of enactment of this Act shall be retired at the end of such month;

(2) Other career ministers who are age sixty or over as of the date of enactment of this Act shall be retired at the end of the month which contains the midpoint between the last day of the month of enactment of this Act and the last day of the month during which the officer would reach age sixty-five, counting thirty days to the month; and

(3) On the last day of the thirtieth month which ends after the date of enactment of this Act, all other career ministers who are age sixty or over shall be retired, and thereafter the amendment made by subsection (a) shall be applicable in all cases.

(4) Any career minister who completes a period of authorized service after he reaches mandatory retirement age as provided in the above schedule shall be retired at the end of the month in which the officer completes such service.

DEPARTMENT OF STATE,
Washington, D.C., April 19, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith for consideration of the Congress proposed legislation to amend the Foreign Service Act of 1946 to improve the Foreign Service Retirement and Disability System. The following are the most significant of these improvements.

1. Addition of a permanent indefinite appropriation to authorize the Secretary of the Treasury to deposit annually in the Foreign Service Retirement Fund the balance of the Foreign Service normal retirement cost not met by other applicable receipts. If the proposed legislation is enacted, about $6 million annually would be required for this purpose at current payroll levels. As described more fully in the enclosed explanation of the proposed amendment of section 865, the career nature of the Foreign Service and its somewhat superior benefit formula make the cost of the Foreign Service retirement system proportionately greater than the cost of the Civil Service system. Consequently, the normal cost of the Foreign Service retirement system is not being fully met by the current seven percent employee and matching Government contributions as in the normal cost of the Civil Service system. Additional funds are therefore required to meet this cost. The proposed permanent indefinite appropriation would meet this requirement.

2. Revision of Foreign Service survivor and service credit proivsions to equate them to corresponding Civil Service provisions. The proposed benefit changes would increase the normal cost of the system an estimated $418,000 and the unfunded liability by $20 million. The $418,000 is included in the $6 million figure mentioned above as the amount required to fully pay the Foreign Service normal cost. An appropriation of $1,301,000 per year for 30 years would be required to amortize the $20 million increase in unfunded liability pursuant to section 865 of the Foreign Service Act. A detailed cost estimate is enclosed.

3. Elimination of the ten-year waiting period Foreign Service staff personnel now must serve before becoming participants in the Foreign Service retirement system. This change is expected to result in an annual savings to the system of approximately $700,000. This saving is also reflected in the above $6 million figure.

4. Lowering of career minister mandatory retirement age to the regular Foreign Service retirement age of 60. This would have a negligible cost impact.

The above and other changes are fully explained in the enclosures. These changes will promote equity, improve financing and facilitate management of the Foreign Service retirement system. We would appreciate the early consideration and approval of them by the Congress.

We are advised by the Office of Management and Budget that there is no objection from the standpoint of the President's program to the submission of this proposal.

Sincerely,

W. MARSHALL WRIGHT,
Acting Assistant Secretary for Congressional Relations.

By Mr. DOMINICK:

S. 1792. A bill to extend the authorization of appropriations for the Bilingual Education Act, for the dropout prevention program, and for section 309 of the Adult Education Act. Referred to the Committee on Labor and Public Welfare.

Mr. DOMINICK. Mr. President, a few weeks ago, I introduced the Better Schools Act (S. 1319), the administration's education revenue sharing proposal. The bill I introduce today is a companion measure designed to extend for 1 year three education programs which are not incorporated into the Better Schools Act, but which will rather be retained at the Federal level.

This bill would extend the bilingual education program, the dropout prevention program, and the special experimental demonstration projects, and teacher training program—section 309—of the Adult Education Act. The administration's original proposal has been modified to show actual budget figures. Should the Better Schools Act not receive prompt action, it may be that the bill will have to be modfied; and a number of my colleagues feel that, in any event, the authorization should be increased.

By Mr. CANNON:

S. 1793. A bill to provide for coverage, under the insurance system established by title II of the Social Security Act, of service performed by employees of the Government Printing Office. Referred to the Committee on Finance.

SOCIAL SECURITY FOR CERTAIN GPO EMPLOYEES

Mr. CANNON. Mr. President, I introduce, for appropriate reference, a bill to provide social security coverage for certain Government Printing Office employees not now eligible for either civil service retirement benefits or Federal old-age, survivors, and disability insurance.

Generally speaking, Federal employees who are not covered by the civil service or other Federal retirement system established by law are covered by the insurance and tax provisions of the Social Security Act. That law, however, defines "employment" to specifically exclude all employment performed in the legislative branch. Since the Government Printing Office is a legislative agency, work performed in the Office is excluded from the definition of employment entitling a person to Federal old-age and survivors benefits. The effect has been to deny social security coverage to approximately 900 temporary and intermittent employees of the Government Printing Office, even though they are not otherwise eligible for the civil service retirement system. Moreover, since most other Federal employees who are not covered by a Federal retirement system do receive coverage under the Social Security Act, this works an inequitable burden on those employees of GPO who are not so covered. This bill would eliminate that inequity.

By Mr. CANNON:

S. 1794. A bill to amend section 308 of title 44, United States Code, relating to the disbursing officer, deputy disbursing officer, and certifying officers and employees of the Government Printing Office. Referred to the Committee on Rules and Administration.

ACCOUNTABILITY OF GPO DISBURSING AND CERTIFYING OFFICERS

Mr. CANNON. Mr. President, I introduce, for appropriate reference, a bill to restore certain sections omitted from the codification of title 44 concerning the functions of the Government Printing Office disbursing officer and will also provide for accountability and relief of GPO certifying officers in the same manner as that afforded to other Government certifying officers.

Since 1923 the disbursement functions of the Government Printing Office have been vested in the disbursing clerk, who is charged with accountability for receipts and disbursements of all funds for the GPO. The provisions detailing his responsibilities, while not repealed, have nevertheless been omitted from the last several editions of the United States Code, including the recent codification of title 44—Public Law 90–620, October 22, 1968.

Moreover, the disbursing officer of the

Government Printing Office, as a legislative branch employee, is not entitled to the same relief as that granted to executive branch officers. The disbursing officer of the Government Printing Office is solely responsible for the accounts of the GPO, and he alone is chargeable in the event of an error. This bill will enable him to rely on the signature of a duly authorized certifying officer, and will also provide for the accountability of GPO certifying officers and for their right to seek and advance decision from the Comptroller General on a question of law involved in the payment of a voucher which has been presented for certification.

By Mr. CANNON:

S. 1795. A bill to authorize the Public Printer to adopt an official Government Printing Office seal, and to designate employees to administer oaths. Referred to the Committee on Rules and Administration.

GOVERNMENT PRINTING OFFICE SEAL; OATH OF OFFICE

Mr. CANNON. Mr. President, I introduce, for appropriate reference, a bill to amend title 44, United States Code, to authorize the Public Printer to adopt an official seal for the Government Printing Office and to empower him to designate employees of the Government Printing Office to administer oaths in connection with the operations of the Government Printing Office. The bill will forestall any possible confusion as to which emblem utilized by the GPO is the "official" seal and will give that seal the same legal sanction enjoyed by other Federal agencies.

This bill will also serve to give the Public Printer the authority to designate employees to administer oaths of office and other oaths necessary to conduct the business at GPO. The statute conveying this authority on other heads of agencies (5 U.S.C. 2903) deals only with executive agencies and, therefore, is not applicable to the GPO. The authority to designate employees to administer oaths will avoid cumbersome and costly procedure of using notaries public for this function.

By Mr. MATHIAS:

S. 1796. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for grants to interstate metropolitan organizations. Referred to the Committee on the Judiciary.

Mr. MATHIAS. Mr. President, urban America, as it fights for survival, has to act simultaneously to repair the damage of past neglect while it acts to stop decay. The rhetoric with which we used to address this problem in the 1960's told us that if we acted quickly—if we rebuilt the cities—if we attacked poverty—if we began to offer a wide range of rationally connected social services to the underprivileged—if we offered job training and then jobs to those who needed them—if we eliminated racial and sex discrimination—we could then and only then expect the future of the cities to be bright because then would the evidences of the social decay which were blighting our cities begin to disappear. Illegitimacy, one-parent homes, lack of social discipline in the schools, juvenile delinquency, addiction, and crime would all decline if there were a more equitable social and economic order orchestrated by our Federal Government.

While I am convinced that we must, indeed, make many changes in our economic and social arrangements if social justice is to be achieved, I am also convinced that the rhetoric of the last decade underestimated the difficulty of making many of those changes and promised too much too soon. The result has been disillusionment with government's ability to perform and remedy the ills of America.

One of the promised benefits of the social programs of the sixties was to be a reduction of crime in our cities. But as we know too well, this too was an unrealistic promise that had little hope of fulfillment. We have been told statistically that crime is decreasing while the house next door is being robbed.

At the end of the 1960's, as a result of the rapidly rising reported crime rate of the latter half of that decade, the Congress responded to the outcry of the public and of the President's Commission on Law Enforcement and the Administration of Justice by enacting the Omnibus Crime Control and Safe Streets Act. This act provided for the first time major Federal assistance to the States and local governments to carry on and in many instances begin their seemingly endless struggle against the rising tide of crime. The passage of this bill reflected a general recognition that if urban America is to survive, its crime must die.

We have found, and not unexpectedly, that the billions of dollars channeled into LEAA by the Congress and then out to the States and cities, will not, by itself, check the growing crime rate. We need cooperation among people, among governments and within the criminal justice system itself. We need stiffer laws to deter crime, more effective rehabilitation to prevent further crime and a criminal justice system capable of pronouncing swift and predictable justice. I will continue to support the strong initiatives which have been taken to control and reduce crime, especially those efforts which the President has made so successfully in the area of drug supply.

There remains, as there always will be, a task aimed at reducing crime which has just barely begun—a task which cannot be carried on with any real hope of success without some new support from the administration, the Congress and the public. And that is the task of uniting the governments with the people of a metropolitan areas in an effort to control crime throughout a metropolitan area. Law enforcement and the administration of justice have always been regarded as local responsibilities, to be locally discharged. I do not challenge that proposition. I think there is a vital and indispensable role for our city, county, and State governments to play in law enforcement. The criminal justice system ought to remain a local system, responsive to the citizens of each community.

It has to be recognized today that our concept of the community is changing and must change if we are to meet the problems and challenges of the 20th century. The city is no longer contained within its predetermined legal boundaries, nor is the metropolitan area surrounding any large city now confined to one or two small towns on the edges of that city. Can any one say at what point the Washington metropolitan area ends—at what point the city begins and the suburbs begin? The communities in which we live and work and which define the character of our lives are metropolitan areas with a dozen, two, five dozen local governments within them. These social and economic units, many of them containing as do the Washington and Baltimore metropolitan areas, several million people, represent in every way what urban America means today. These metropolitan areas must be linked through planning, cooperative arrangements, compacts, and other devices yet to be developed to meet the complex problems of the millions who live and work within its boundaries.

When we speak of the crime or the environmental decay of an urban center, we no longer merely look within the political boundaries of that city to identify our problem. Crime and dirt have no regard to political entities. Some have suggested, in fact, a direct correlation between the quality and quantity of a particular problem in our urban cities and a proportionate increase or decrease in its suburban surroundings. The point is this: It is absolutely senseless for purposes of evaluating our society's ills to permit jurisdictional lines and political jealousy to thwart progress and, in the case of criminal justice, to thwart safety. The metropolitan areas which make up many cities and subdivisions within a State must all join together and cooperate with one another in order to reach this common objective. This is just pure commonsense. It is a political necessity.

That is a task which regional agencies such as regional planning councils and councils of local governments have begun. They have concentrated primarily on comprehensive planning related to land use, physical planning, transportation planning, and related areas, and they have done an outstanding and highly useful job in these areas. The task of planning and coordination on the metropolitan scale aimed at the control and reduction of crime, however, has hardly begun anywhere, and is severely hampered by the absence of Federal support for the kind of effort which must be made. Only in a few areas—one of them the Washington metropolitan area—has there been a strong and sustained effort, with the cooperation of local and State governments and, in the case of Washington, the Metropolitan Washington Council of Governments—COG—to plan and to develop a coordinated approach to the problems of crime at the metropolitan level. However, that effort has gone slowly, primarily due to the lack of adequate funding and predictable political support.

An underlying reason for slow progress in the Washington metropolitan effort relates to the formal mechanism of the Safe Streets Act. This act currently provides that 85 percent of the money appro-

priated shall go directly to State governments, which in turn may then fund regional agencies for sub-State planning area purposes.

Under the President's proposed special revenue sharing, the States' control over the Federal crimefighting money would become complete. The State of Maryland has utilized this legislative enabling authority in the case of the Baltimore Regional Planning Council, with very good results. However, the Washington metropolitan area, like 32 other major metropolitan areas in the United States and a vast number of other areas spanning State borders, is a metropolitan area which encompasses parts of two or more States. The Washington, D.C. metropolitan area and the area which is included in the Metropolitan Washington Council of Governments includes four major counties and a city in Virginia, two very large counties in Maryland, and the District of Columbia in its entirety. For an interstate metropolitan council like our Washington's COG to get Federal money to coordinate the public safety activities of the region, it too must go to the States for planning money. They are at the mercy of each State's planning agency—which in many ways they should be if they are to be effective—but the States in turn must take these funds from other crime programs planned in the State. Even if the States found it appropriate to subgrant portions of their planning funds to these interstate agencies, they could only do on a piecemeal basis—and even then one would be hampered by the possibility of a less than a unanimous subgranting of funds. While many metropolitan areas which fall entirely within State boundaries have obtained grants from the LEAA-funded State Planning Agencies—SPAs—for the purpose of undertaking regional planning and action programs for law enforcement and criminal justice, interstate planning agencies and councils of governments have never been eligible for direct planning grants although in many ways the need for funding in these interstate metropolitan areas is just as great.

Direct funding for planning purposes would permit interstate metropolitan agencies to develop comprehensive planning processes and plans of action for their regions.

The problem is not of small dimension—at least in the Washington area. A very recent report, dated February 8, 1973, by the Metropolitan Washington Council of Governments shows that of all arrests for serious crimes in the Maryland suburbs, 20 percent were of persons who did not live in the jurisdiction in which they were arrested.

From the point of view of the criminal, the entire metropolitan area is available to him for his work. From the point of view of the public, there are not adequate political and technical arrangements which will halt or deter criminal activity which is interjurisdictional in nature. We have neglected to make possible the planning which must precede the action—which will lend to permanent solutions.

Nineteen months ago I organized a conference on the problem of crime in the metropolitan area. That conference addressed itself to the problems of police, courts, corrections, prosecution and defense, civil disorders, organized crime, drug abuse, and juvenile delinquency as each one of these related to the Greater Washington metropolitan area. Some of those recommendations have now been put into effect. Others, designed to control and reduce crime in the larger city of Metropolitan Washington, await action still because of the difficulty in planning, staffing, and developing the arrangements we need so desperately.

But among actions taken as a result of that conference are: First, intensive discussions among prosecutors in the metropolitan area regarding interjurisdictional investigations and organized crime in the metropolitan area; second, creation of a new Corrections Committee at COG aimed at developing recommendations concerning regional correctional facilities, interstate arrangements for exchange of inmates for training purposes, improving supervision of persons on probation and parole in the Washington metropolitan area, and improved security arrangements; third, development of a proposal by COG to acquire the appropriate data in order to show the nature, extent, trends, and changes in drug abuse patterns in the Washington metropolitan area; fourth, preparation of a meeting composed of chief judges in the metropolitan area to discuss such common problems as the need for information from other jurisdictions at time of sentencing, sentencing practices area, and the experiences with and opportunities presented by court reform in the metropolitan area; fifth, development of an amendment to the police mutual aid agreement which permits the exchange of narcotics investigators within the metropolitan area; and, sixth, upgrading of the police mutual aid radio network throughout the entire metropolitan area, permitting more effective police coordination.

Still awaiting action are a wide variety of other programs, including in particular, first, an effort to mount an effective program aimed at improving coordination among police and prosecutors in the field of organized crime; second, development of a capability to monitor the major violator in the metropolitan area; third, development of effective programs to deal with major laws with a view to recommending changes which would encourage opportunities for young people to work at useful occupations, thereby discouraging delinquency; and, fourth, improved cooperation with local broadcast media in providing information to the public about disorders, disturances, and natural disasters.

The will to meet these metropolitan needs is present. The police chiefs, the correctional officials, the prosecutors, the drug abuse program directors of the Nation all stand ready to cooperate and have taken a number of steps already to improve cooperation, in the Washington area and elsewhere. A survey of major metropolitan agencies shows that two-thirds are eager to move forward with planning and cooperative action in this area—if there were adequate funding available. The administrative mechanisms already exist. There are in all major metropolitan areas either regional planning councils or councils of governments. Missing only is provision in the Omnibus Crime Control and Safe Streets Act which would permit direct funding of these interstate councils for planning at the regional or metropolitan scale to develop approaches and answers to the regional or metropolitan crime problems.

Mr. President, I today propose such an amendment to the Safe Streets Act in order to permit interstate regional metropolitan area councils of local governments or regional councils which are interstate directly eligible for a specially earmarked amount of planning grant funds from LEAA. I am proposing that a minimum grant of $25,000 be made to any one agency, and that a maximum of $1.5 million be appropriated for this purpose in fiscal year 1974.

This proposed amendment in no way is intended to lead to a diminution of the powers and responsibilities of either State or local governments. But, rather it will greatly augment the realistic opportunities to halt crime in that portion of the metropolitan area within each State's boundaries. State would retain all powers they now exercise over the grant funds made available to States for comprehensive State planning. The grants to interstate councils of governments or interstate planning councils would be made only for planning and none specifically for the purpose of achieving a coordinated response to crime problems by local governments within the metropolitan area. All other criminal justice planning would remain with States and their local governments. Control over direct action moneys would remain with the States. Further, the plans developed by interstate agencies would, through the language of my proposed amendment to the act, have to be consistent with State and local plans of action. In other words, there would be no planning unless what is planned is approved by all the appropriate governments. It encourages cooperation, while not denying political realities.

It is a modest proposal, but nonetheless a beginning. It is not without models. In 1972, I assisted the Metropolitan Washington Council of Governments in obtaining a pilot or demonstration grant from LEAA to begin such planning at the metropolitan scale here in the Washington metropolitan area. This was done with the agreement of respective local and State governments. Its report on interjurisdictional crime which will appear at the end of these remarks is one product of this new funding approach. The Washington COG has proven that progress, though slim, is achievable and they should be commended for their leadership and efforts. It is the intention of my amendment that the work begun by the Metropolitan Washington Council of Governments be continued and that similar efforts be made possible for other interstate councils and organizations.

Surveys of the existing 29 interstate metropolitan area councils of govern-

ments and regional planning agencies reveal that many of these organizations are uniquely aware of the growing complexity of the crime problem in this Nation. They have realized that the offender is no more inhibited by jurisdictional boundary lines than he is by locked doors or moral scruples. They realize that apprehension cannot be limited by a geographical boundary nor can we attack crime on the basis of the narrow harm done to a political subdivision. These agencies are uniquely qualified, willing, and prepared to undertake solutions to these complex metropolitan problems. Staff complements of these agencies in the area of public safety range from zero to 17 persons—indicating both their deficiency and present capability. As an indicator of the willingness on the part of these organizations to assume a more functional role in the efforts for insuring public safety, and, in general, upgrading the quality of life in the many problem-plagued urban centers of this Nation, a conference of regional councils representing interstate areas was convened in December 1972 in New Orleans, under the auspices of the National Association of Regional Councils. From this conference arose specific recommendations and mandates for action which were subsequently directed to the States and the Federal Government.

These recommendations taken as a package, while largely applicable to efforts more broad than the specific scope of this proposed legislation, are nonetheless consistent with its conceptual basis. These recommendations state that:

First. Legislation should be sought authorizing and requiring the Office of Management and Budget—OMB—to certify a single areawide regional council in interstate urban areas as the administrator of all Federal programs concerned with areawide planning or coordination for that area, unless such designation would be contrary to State law;

Second. In new Federal legislation involving areawide planning and coordination within interstate areas, the Standard Metropolitan Statistical Area—SMSA—should be treated as the basic unit for such planning and coordination, and the executive office of the President should be responsible for assuring that the areawide regional council is designated to carry out the programs unless such designation would be contrary to State law;

Third. Individual Federal agency certification processes should be combined and made consistent throughout all interstate urban areas;

Fourth. To the extent possible, Federal and State agencies should agree on a uniform base for the collection of data needed for areawide planning;

Fifth. OMB, Federal Regional Councils, and the States should seek to achieve consistency among Federal agency guidelines in specific functional areas;

Sixth. The National Association of Regional Councils and individual regional councils should seek to educate the Congress and the State legislatures on the problems of interstate areas on a continuing basis; and,

Seventh. The proposed legislation to amend the Safe Streets Act in order to make interstate regional councils directly eligible for LEAA planning funds should be supported, and similar legislation should be developed for other functional areas.

The failure of the Federal Government to deal directly with interstate urban areas in its law enforcement programs reflects the greater problem of the lack of the development of an effective areawide mechanism for coordination.

This lack exists largely because: First, interstate councils tend to be orphans insofar as their State governments are concerned; States tend to be reluctant to delegate responsibility or to invest State funds in organizations whose jurisdiction and governmental allegiance lies outside the State's boundaries; and, second, States understandably tend to build substate agencies in interstate urban areas, and will presumably continue to. This tends to fragment urban areas along State lines and perpetuates the weaknesses of interstate councils.

Since it does not appear likely that State governments will act to strengthen interstate councils, Federal policy seems to be the only realistic potential means for bringing about an increase in the effectiveness of these organizations. The thrust, then, of this proposed amendment is not the creation and maintenance of yet another action center but an attempt to increase the abilities of local and State governments to act effectively in a concerted and effective fashion. To place in perspective the actual and potential resources and capabilities of those interstate metropolitan area councils of governments and regional planning agencies, it is important to note that the population which it serves is approximately 40 million, or nearly one-fifth of the Nation's population and, approximately 30 percent of the Nation's reported serious or major crime for calendar year 1971 was reported in those interstate areas served by regional planning agencies or councils of governments.

A recent survey of 20 of these 29 interstate councils revealed that 15, or 75 percent of the sample would in fact apply for planning grant funds if money was available. Some of the reasons for giving negative responses were: First, a lack of interest in coordination by the affected States, and hence no client group; and second, sentiment that planning funds would be of minimal value until authority to award grants based on these plans was placed with the metropolitan agency. Only six of these organizations currently receive public safety or criminal justice planning grant funds. Five receive such funds from the Law Enforcement Assistance Administration—largely for research programs. One receives grant funds through the programs financed under the Highway Safety Act. These figures, however, seem less than startling when one considers the fact that only seven, or 35 percent of the respondents currently possess a department of public safety or criminal justice planning, largely for lack of funding.

With the availability of earmarked planning moneys for interstate councils as provided for in this proposed amendment, it is anticipated that functional public safety components will become more widespread. Such increased capability in this regard is desirable, for while there may be argument over the causes and the extent of interstate crime in these metropolitan areas, there is no argument that the amount of such crime is substantial and that the problems in enforcement are complex. The need for the kind of continuing staff planning and coordination effort that can only be supplied through an interstate metropolitan agency properly supported through planning funds is vividly apparent.

Upon enactment of such an amendment, the first step for a regional agency would be to focus and identify the metropolitan problems in the law enforcement and criminal justice areas. In this regard, then, the regional planning agencies would be required, with the cooperation and approval of the cognizant States and units of general local government, to prepare and adopt comprehensive plans on the basis of their regional attack on crime in its area. As is currently the case with the plans prepared by the States, the regional plans would include descriptions of the general and specific metropolitanwide needs and problems; available resources; organization systems and administrative machinery for implementing the plan; the direction, scope, and general types of improvements to be made in the future; and the relationship of the plan to those plans and systems of the cognizant States and units of general local governments. The concerned SPAs would review and approve the contents of such plans prior to their submission to the Law Enforcement Assistance Administration for its approval. Only thereafter could steps be taken to implement these plans.

The solution to the problems of crime in our cities and to the urgent need to make our streets safe from violence is not to be found solely, of course, in developing planning capabilities at the metropolitan or regional level in interstate areas. We must press for many diverse approaches to this complex and difficult problem. We have, however, neglected to support the efforts of interstate councils and we must now remedy that neglect and provide them with the capability to undertake the planning and coordination which are essential if crime in our cities and outlying suburbs is to be controlled and reduced.

Mr. President, I wish to acknowledge the great assistance of the Washington Council of Governments with regard to this proposed amendment. They have greatly added to my understanding of this matter and I am deeply grateful.

Mr. President, at this time I ask unanimous consent that the full text of the proposed amendment be printed in the RECORD.

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

S. 1796

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part B of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 206. (a) Notwithstanding any other provision of law, the Administration is authorized to make grants to organizations composed or predominantly composed of local elected officials from the general purpose governments within any interstate metropolitan area, which are capable of developing an effective comprehensive planning and coordination process to cope with the regional law enforcement and criminal justice needs and problems within such interstate area. Grants under this section for interstate regional planning shall include but not be limited to grants for the following purposes:

"(1) identifying general metropolitan needs, problems and resources to meet needs and problems on a metropolitan scale;

"(2) preparing, as an aid to state and local governments, comprehensive law enforcement and criminal justice plans for meeting regional problems;

"(3) developing physical and fiscal proposals for implementing plans and policies on which local governments in the metropolitan area agree;

"(4) proposing organizational systems and administrative machinery for implementing plans and policies;

"(5) coordinating related plans and activities of state and local governments and agencies concerned with regional planning; and

"(6) encouraging states and local governments to combine or provide cooperative arrangements with respect to services, facilities, and equipment.

"(b) The amount of any Federal grant made under this section shall not exceed 90 per centum of the expenses for preparation, development, and revisions of such interstate metropolitan planning and coordination. All interstate metropolitan plans developed under this section shall be consistent with the comprehensive state and local programs priorities developed under section 303 of this title.

"(c)(1) There are authorized to be appropriated for the purposes of this section an amount not to exceed $1,500,000 for the fiscal years ending June 30, 1974 and $2,000,000 for each of the fiscal years ending June 30, 1975 and June 30, 1976.

"(2) Any amount so appropriated for any such fiscal year may be allocated by the Administration among interstate metropolitan areas according to their relative needs and population, except that no such area to which funds are allocated shall receive a sum less than $25,000.

"(3) Any funds appropriated under this section and not expended during the fiscal year for which they were appropriated shall remain available for expenditure in subsequent fiscal years."

By Mr. SYMINGTON (for himself and Mr. THURMOND) (by request):

S. 1797. A bill to authorize certain construction at military installations and for other purposes. Referred to the Committee on Armed Services.

Mr. SYMINGTON. Mr. President, by request, for myself and Mr. THURMOND, I introduce, for appropriate reference, a bill to authorize certain construction at military installations, and for other purposes.

I ask unanimous consent that a letter of transmittal requesting consideration of the legislation, and explaining its purpose, be printed in the RECORD immediately following the listing of the bill.

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

S. 1797

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

TITLE I

SEC. 101. The Secretary of the Army may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

UNITED STATES CONTINENTAL ARMY COMMAND

(First Army)

Fort Belvoir, Virginia, $14,403,000.
Carlisle Barracks, Pennsylvania, $2,465,000.
Fort Devens, Massachusetts, $2,749,000.
Fort Dix, New Jersey, $339,000.
Camp Drum, New York, $1,099,000.
Fort Eustis, Virginia, $4,782,000.
Camp A. P. Hill, Virginia, $535,000.
Indiantown Gap Military Reservation, Pennsylvania, $1,657,000.
Fort Knox, Kentucky, $7,305,000.
Fort Lee, Virginia, $22,769,000.
Fort George G. Meade, Maryland, $7,445,000.
Fort Monroe, Virginia, $867,000.
Camp Pickett, Virginia, $476,000.

(Third Army)

Fort Benning, Georgia, $12,404,000.
Fort Bragg, North Carolina, $33,471,000.
Fort Campbell, Kentucky, $51,881,000.
Eglin AFB, Valparaiso, Florida, $2,950,000.
Fort Gordon, Georgia, $23,780,000.
Fort Jackson, South Carolina, $2,902,000.
Fort McClellan, Alabama, $19,505,000.
Fort McPherson, Georgia, $1,804,000.
Fort Rucker, Alabama, $3,987,000.
Fort Stewart, Georgia, $264,000.

(Fifth Army)

Fort Bliss, Texas, $6,087,000.
Fort Benjamin Harrison, Indiana, $3,893,000.
Fort Hood, Texas, $15,094,000.
Fort Sam Houston, Texas, $11,738,000.
Fort Polk, Louisiana, $29,276,000.
Fort Riley, Kansas, $34,918,000.
Fort Sheridan, Illinois, $762,000.
Fort Sill, Oklahoma, $9,447,000.
Fort Leonard Wood, Missouri, $44,482,000.

(Sixth Army)

Fort Carson, Colorado, $6,651,000.
Hunter-Liggett Military Reservation, California, $7,776,000.
Fort Lewis, Washington, $8,327,000.
Fort McArthur, California, $428,000.
Fort Ord, California, $9,812,000.
Presidio of San Francisco, California, $5,751,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $11,934,000.
Aeronautical Maintenance Center, Texas, $6,284,000.
Anniston Army Depot, Alabama, $3,745,000.
Army Materials and Mechanics Research Center, Massachusetts, $325,000.
Atlanta Army Depot, Georgia, $119,000.
Frankford Arsenal, Pennsylvania, $73,000.
Fort Monmouth, New Jersey, $12,286,000.
Defense Depot, Memphis, Tennessee, $456,000.
Natick Laboratories, Massachusetts, $466,000.
Picatinny Arsenal, New Jersey, $2,915,000.
Pine Bluff Arsenal, Arkansas, $294,000.
Redstone Arsenal, Alabama, $4,971,000.
Sacramento Army Depot, California, $412,000.
Savanna Army Depot, Illinois, $2,746,000.
Sierra Army Depot, California, $380,000.
White Sands Missile Range, New Mexico, $4,771,000.
Yuma Proving Ground, Arizona, $6,472,000.

UNITED STATES ARMY SECURITY AGENCY

Vint Hill Farms Station, Virginia, $287,000.

UNITED STATES ARMY STRATEGIC COMMUNICATION COMMAND

Fort Huachuca, Arizona, $6,832,000.
Fort Ritchie, Maryland, $1,394.000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, West Point, New York, $30,145,000.

ARMY MEDICAL DEPARTMENT

Walter Reed Army Medical Center, District of Columbia, $1,997,000.

CORPS OF ENGINEERS

Cold Regions Laboratories, New Hampshire, $597,000.

MILITARY TRAFFIC MANAGEMENT AND TERMINAL SERVICE

Oakland Army Terminal, California, $485,000.
Sunny Point Army Terminal, North Carolina, $1,628,000.

UNITED STATES ARMY, ALASKA

Fort Greeley, Alaska, $3,489,000.
Fort Richardson, Alaska, $2,140,000.
Fort Wainwright, Alaska, $2,175,000.

UNITED STATES ARMY, HAWAII

Schofield Barracks, Hawaii, $9,592,000.
Fort Shafter, Hawaii, $1,233,000.

POLLUTION ABATEMENT

Various Locations, Air Pollution Abatement, $7,295,000.
Various Locations, Water Pollution Abatement, $6,799,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY FORCES, SOUTHERN COMMAND

Canal Zone, Various Locations, $8,095,000.

UNITED STATES ARMY, PACIFIC

Korea, Various Locations, $1,568,000.

PUERTO RICO

Fort Buchanan, Puerto Rico, $517,000.

KWAJALEIN MISSILE RANGE

National Missile Range, $2,353,000.

UNITED STATES ARMY SECURITY AGENCY

Various Locations, $1,434,000.

UNITED STATES ARMY STRATEGIC COMMUNICATION COMMAND

Various Locations, $2,097,000.

UNITED STATES ARMY, EUROPE

Germany, Various Locations, $12,517,000.

Various Locations: For the United States share of the cost of multilateral programs for the acquisition or construction of military facilities and installations, including international military headquarters, for the collective defense of the North Atlantic Treaty Area, $80,000,000: *Provided,* That, within thirty days after the end of each quarter, the Secretary of the Army shall furnish to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives a description of obligations incurred as the United States share of such multilateral programs.

SEC. 102. The Secretary of the Army may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $3,000,000.

SEC. 103. The Secretary of the Army may establish or develop Army installations and facilities by proceeding with construction made necessary by changes in Army missions

and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment; in the total amount of $10,000,000: Provided, That the Secretary of the Army, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1974, except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

SEC. 104. (a) Public Law 92–545, is amended under the heading "INSIDE THE UNITED STATES," in section 101 as follows:

With respect to "Military Ocean Terminal, Bayonne, New Jersey," strike out "$3,245,000" and insert in place thereof "$3,603,000."

(b) Public Law 92–545 is amended by striking out in clause (1) of section 702 "$441,704,000" and "$558,778,000" and inserting in place thereof "$442,062,000" and "$559,136,000," respectively.

SEC. 105. (a) Public Law 91–511, as amended, is amended under the heading "INSIDE THE UNITED STATES," in section 101 as follows:

With respect to "Fort Benning, Georgia," strike out "$2,855,000" and insert in place thereof "$3,383,000."

(b) Public Law 91–511, as amended, is amended by striking out in clause (1) of section 602 "$181,306,000" and "$266,503,000" and inserting in place thereof "$181,834,000" and "$267,031,000," respectively.

SEC. 106. (a) Public Law 90–110, as amended, is amended under the heading "UNITED STATES ARMY, ALASKA" in section 101 as follows:

With respect to "Fort Richardson, Alaska," strike out "$1,800,000" and insert in place thereof "$2,100,000."

(b) Public Law 90–110, as amended, is amended by striking out in clause (1) of section 802 "$288,055,000" and "$391,448,000" and inserting in place thereof "$288,355,000" and "$391,748,000," respectively.

TITLE II

SEC. 201. The Secretary of the Navy may establish or develop military installations and facilities by acquiring, constructing, concerting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment for the following acquisition and construction:

INSIDE THE UNITED STATES

FIRST NAVAL DISTRICT

Naval Air Station, Brunswick, Maine, $135,000.

Naval Security Group Activity, Winter Harbor, Maine, $232,000.

THIRD NAVAL DISTRICT

Naval Submarine Base, New London, Connecticut, $6,158,000.

Naval Underwater System Center, New London Laboratory, New London, Connecticut, $3,600,000.

Military Ocean Terminal, Bayonne, New Jersey, $1,806,000.

Naval Support Activity, Brooklyn, New York, $1,131,000.

FOURTH NAVAL DISTRICT

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $915,000.

Naval Air Development Center, Warminster, Pennsylvania, $215,000.

NAVAL DISTRICT, WASHINGTON

Naval Research Laboratory, Washington, District of Columbia, $5,395,000.

Naval Academy, Annapolis, Maryland, $4,334,000.

Naval Station, Annapolis, Maryland, $1,080,000.

National Naval Medical Center, Bethesda, Maryland, $3,310,000.

Naval Medical Research Institute, Bethesda, Maryland, $6,372,000.

Naval Communication Station, Cheltenham, Maryland, $1,300,000.

Naval Ordnance Station, Indian Head, Maryland, $1,528,000.

Naval Air Test Center, Patuxent River, Maryland, $1,240,000.

Naval Hospital, Quantico, Virginia, $484,000.

FIFTH NAVAL DISTRICT

Fleet Combat Direction Systems Training Center, Atlantic, Dam Neck, Virginia, $6,531,000.

Naval Amphibious Base, Little Creek, Virginia, $3,350,000.

Naval Air Station, Norfolk, Virginia, $2,525,000.

Naval Station, Norfolk, Virginia, $18,493,000.

Navy Public Works Center, Norfolk, Virginia, $567,000.

Nuclear Weapons Training Group, Atlantic, Norfolk, Virginia, $2,470,000.

Naval Air Station, Oceana, Virginia, $3,962,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $11,133,000.

Naval Weapons Station, Yorktown, Virginia, $1,327,000.

SIXTH NAVAL DISTRICT

Naval Air Station, Cecil Field, Florida, $3,743,000.

Naval Air Station, Ellyson Field, Florida, $75,000.

Naval Air Station, Jacksonville, Florida, $13,766,000.

Naval Hospital, Orlando, Florida, $22,312,000.

Naval Training Center, Orlando, Florida, $7,383,000.

Naval Coastal Systems Laboratory, Panama City, Florida, $3,463,000.

Naval Air Station, Pensacola, Florida, $2,699,000.

Naval Communications Training Center, Pensacola, Florida, $9,859,000.

Naval Air Station, Whiting Field, Florida, $2,186,000.

Naval Home, Gulfport, Mississippi, $9,444,000.

Naval Air Station, Meridian, Mississippi, $4,532,000.

Charleston Naval Shipyard, Charleston, South Carolina, $252,000.

Naval Station, Charleston, South Carolina, $1,498,000.

Naval Air Station, Memphis, Tennessee, $4,478,000.

EIGHTH NAVAL DISTRICT

Naval Hospital, New Orleans, Louisiana, $3,386,000.

Naval Support Activity, New Orleans, Louisiana, $13,880,000.

Naval Air Station, Chase Field, Texas, $2,875,000.

Naval Air Station, Kingsville, Texas, $3,040,000.

NINTH NAVAL DISTRICT

Naval Complex, Great Lakes, Illinois, $19,908,000.

ELEVENTH NAVAL DISTRICT

Naval Weapons Center, China Lake, California, $3,163,000.

Long Beach Naval Shipyard, Long Beach, California, $6,808,000.

Naval Hospital, Long Beach, California, $878,000.

Naval Air Station, Miramar, California, $1,454,000.

Naval Air Station, North Island, California, $2,415,000.

Fleet Combat Direction Systems Training Center, Pacific, San Diego, California, $1,118,000.

Naval Electronics Laboratory Center, San Diego, California, $3,518,000.

Naval Station, San Diego, California, $11,996,000.

Naval Training Center, San Diego, California, $2,944,000.

Navy Public Works Center, San Diego, California, $2,471,000.

Navy Submarine Support Facility, San Diego, California, $3,920,000.

Naval Weapons Station, Seal Beach, California, $1,528,000.

TWELFTH NAVAL DISTRICT

Naval Air Station, Alameda, California, $5,236,000.

Naval Air Station, Lemoore, California, $3,266,000.

Naval Air Station, Moffett Field, California, $5,265,000.

Naval Hospital, Oakland, California, $5,839,000.

Hunters Point Naval Shipyard, San Francisco, California, $250,000.

Naval Security Group Activity, Skaggs Island, California, $641,000.

Mare Island Naval Shipyard, Vallejo, California, $2,074,000.

THIRTEENTH NAVAL DISTRICT

Naval Complex, Adak, Alaska, $8,773,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $2,300,000.

FOURTEENTH NAVAL DISTRICT

Naval Air Station, Barbers Point, Hawaii, $4,306,000.

Naval Ammunition Depot, Oahu, Hawaii, $457,000.

Naval Station, Pearl Harbor, Hawaii, $4,060,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $2,562,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $1,985,000.

Naval Communication Station, Honolulu, Wahoiawa, Hawaii, $2,324,000.

MARINE CORPS

Marine Corps Air Station, Quantico, Virginia, $831,000.

Marine Corps Development and Education Command, Quantico, Virginia, $1,541,000.

Marine Corps Base, Camp Lejeune, North Carolina, $8,902,000.

Marine Corps Air Station, Cherry Point, North Carolina, $1,821,000.

Marine Corps Air Station, New River, North Carolina, $3,245,000.

Fleet Marine Force Atlantic, Norfolk, Virginia, $686,000.

Marine Corps Supply Center, Albany, Georgia, $5,204,000.

Marine Corps Air Station, Beaufort, South Carolina, $126,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $2,580,000.

Marine Corps Air Station, Yuma, Arizona, $4,790,000.

Marine Corps Supply Center, Barstow, California, $3,802,000.

Marine Corps Base, Camp Pendleton, California, $10,920,000.

Marine Corps Air Station, El Toro, California, $747,000.

Marine Corps Recruit Depot, San Diego, California, $3,825,000.

Marine Corps Base, Twentynine Palms, California, $2,992,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $5,988,000.

TRIDENT FACILITIES

Various Locations, TRIDENT Facilities, United States, $125,223,000.

POLLUTION ABATEMENT

Various Locations, Air Pollution Abatement, $27,636,000.

Various Locations, Water Pollution Abatement, $60,680,000.

OUTSIDE THE UNITED STATES

TENTH NAVAL DISTRICT

Naval Complex, Puerto Rico, $2,951,000.

Naval Facility, Grand Turk, the West Indies, $1,145,000.

ATLANTIC OCEAN AREA

Naval Air Station, Bermuda, $3,010,000.

Naval Complex, Guantanamo Bay, Cuba, $8,376,000.

Naval Station, Keflavik, Iceland, $6,092,000.

EUROPEAN AREA

Naval Detachment, Souda Bay, Crete, Greece, $4,153,000.

Naval Air Facility, Sigonella, Sicily, Italy, $3,086,000.

Naval Security Group Activity, Edzell, Scotland, $868,000.

Naval Station, Rota, Spain, $85,000.

PACIFIC OCEAN AREA

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $1,192,000.

Naval Complex, Guam, Mariana Islands, $10,988,000.

Naval Complex, Subic Bay, Republic of the Philippines, $2,723,000.

POLLUTION ABATEMENT

Various Locations, Water Pollution Abatement, $3,995,000.

SEC. 202. The Secretary of the Navy may establish or develop Navy installations and facilities by proceeding with construction made necessary by changes in Navy missions and responsibilities which have been occasioned by (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, in the total amount of $10,000,000: Provided, That the Secretary of the Navy, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1974; except for those public works projects concerning which the Committees on Armed Services of the Senate and House of Representatives have been notified pursuant to this section to that date.

SEC. 203. (a) Public Law 89-568, as amended, is amended under the heading "INSIDE THE UNITED STATES", in section 201 as follows:

With respect to Naval Ordnance Laboratory, White Oak, Maryland, strike out "$3,847,000" and insert in place thereof "$4,295,000".

(b) Public Law 89-568, as amended, is amended by striking out in clause (2) of section 602, "$124,514,000" and "$148,677,000" and inserting in place thereof "$124,962,000" and "$149,125,000", respectively.

SEC. 204. (a) Public Law 90-408, as amended, is amended under the heading "INSIDE THE UNITED STATES", in section 201 as follows:

With respect to Navy Mine Defense Laboratory, Panama City, Florida, strike out "$7,411,000" and insert in place thereof "$9,397,000".

(b) Public Law 90-408, as amended, is amended by striking out in clause (2) of section 802, "$239,682,000" and "$246,547,000" and inserting in place thereof "$241,663,000" and "$248,533,000", respectively.

TITLE III

SEC. 301. The Secretary of the Air Force may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment, for the following acquisition and construction:

INSIDE THE UNITED STATES

AEROSPACE DEFENSE COMMAND

Peterson Field, Colorado Springs, $7,843,000.

Tyndall Air Force Base, Panama City, Florida, $951,000.

AIR FORCE COMMUNICATIONS SERVICE

Richards-Gebaur Air Force Base, Grandview, Missouri, $3,963,000.

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Ogden, Utah, $11,968,000.

Kelly Air Force Base, San Antonio, Texas, $6,101,000.

McClellan Air Force Base, Sacramento, California, $3,171,000.

Robins Air Force Base, Warner Robins, Georgia, $4,868,000.

Tinker Air Force Base, Oklahoma City, Oklahoma, $15,666,000.

Wright-Patterson Air Force Base, Dayton, Ohio, $19,551,000.

AIR FORCE SYSTEMS COMMAND

Edwards Air Force Base, Muroc, California, $889,000.

Eglin Air Force Base, Valparaiso, Florida, $7,039,000.

Laurence G. Hanscom Field, Bedford, Massachusetts, $480,000.

Satellite Control Facilities, $654,000.

AIR TRAINING COMMAND

Keesler Air Force Base, Biloxi, Mississippi, $8,786,000.

Lackland Air Force Base, San Antonio, Texas, $6,509,000.

Laughlin Air Force Base, Del Rio, Texas, $4,635,000.

Lowry Air Force Base, Denver, Colorado, $21,610,000.

Mather Air Force Base, Sacramento, California, $1,993,000.

Randolph Air Force Base, San Antonio, Texas, $1,463,000.

Reese Air Force Base, Lubbock, Texas, $4,211,000.

Sheppard Air Force Base, Wichita Falls, Texas, $2,753,000.

Vance Air Force Base, Enid, Oklahoma, $371,000.

Webb Air Force Base, Big Spring, Texas, $3,154,000.

Williams Air Force Base, Chandler, Arizona, $797,000.

AIR UNIVERSITY

Maxwell Air Force Base, Montgomery, Alabama, $5,462,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Fairbanks, Alaska, $1,557,000.

Various locations, $7,101,000.

HEADQUARTERS COMMAND

Andrews Air Force Base, Camp Springs, Maryland, $16,935,000.

Bolling Air Force Base, Washington, District of Columbia, $1,500,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Altus, Oklahoma, $1,770,000.

Dover Air Force Base, Dover, Delaware, $3,387,000.

McGuire Air Force Base, Wrightstown, New Jersey, $1,860,000.

Norton Air Force Base, San Bernardino, California, $1,283,000.

Scott Air Force Base, Belleville, Illinois, $3,092,000.

Travis Air Force Base, Fairfield, California, $1,024,000.

PACIFIC AIR FORCES

Hickman Air Force Base, Honolulu, Hawaii, $7,331,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Shreveport, Louisiana, $1,743,000.

Blytheville Air Force Base, Blytheville, Arkansas, $140,000.

Davis-Monthan Air Force Base, Tucson, Arizona, $232,000.

Dyess Air Force Base, Abilene, Texas, $730,000.

Ellsworth Air Force Base, Rapid City, South Dakota, $514,000.

Francis E. Warren Air Force Base, Cheyenne, Wyoming, $5,834,000.

Grissom Air Force Base, Peru, Indiana, $3,100,000.

Kincheloe Air Force Base, Kinross, Michigan, $2,430,000.

Malmstrom Air Force Base, Great Falls, Montana, $1,507,000.

McConnell Air Force Base, Wichita, Kansas, $1,042,000.

Offutt Air Force Base, Omaha, Nebraska, $617,000.

Pease Air Force Base, Portsmouth, New Hampshire, $526,000.

Plattsburgh Air Force Base, Plattsburgh, New York, $286,000.

Vandenberg Air Force Base, Lompoc, California, $220,000.

Whiteman Air Force Base, Knob Noster, Missouri, $3,892,000.

Wurtsmith Air Force Base, Oscoda, Michigan, $616,000.

Various Locations, $2,309,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Austin, Texas, $2,273,000.

Cannon Air Force Base, Clovis, New Mexico, $162,000.

England Air Force Base, Alexandria, Louisiana, $183,000.

Holloman Air Force Base, Alamogordo, New Mexico, $2,432,000.

Langley Air Force Base, Hampton, Virginia, $503,000.

Little Rock Air Force Base, Little Rock, Arkansas, $1,165,000.

Luke Air Force Base, Glendale, Arizona, $2,986,000.

MacDill Air Force Base, Tampa, Florida, $2,657,000.

Mountain Home Air Force Base, Mountain Home, Idaho, $253,000.

Nellis Air Force Base, Las Vegas, Nevada, $2,588,000.

Shaw Air Force Base, Sumter, South Carolina, $2,501,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado Springs, Colorado, $645,000.

POLLUTION ABATEMENT

Various Locations, Air Pollution Abatement, $3,689,000.

Various Locations, Water Pollution Abatement, $5,381,000.

AIR INSTALLATION COMPATIBLE USE ZONES

Various Locations, $25,909,000.

OUTSIDE THE UNITED STATES

AIR DEFENSE COMMAND

Naval Station Keflavik, Iceland, $1,355,000.

PACIFIC AIR FORCES

Various Locations, $11,788,000.

UNITED STATES AIR FORCES IN EUROPE

Germany, $5,646,000.

United Kingdom, $9,479,000.

Various Locations, $800,000.

UNITED STATES AIR FORCE SOUTHERN COMMAND

Howard Air Force Base, Canal Zone, $1,038,000.

UNITED STATES AIR FORCE SECURITY SERVICE

Various Locations, $221,000.

POLLUTION ABATEMENT

Various Locations, Water Pollution Abatement, $750,000.

WORLD WIDE COMMUNICATIONS

Various Locations, $330,000.

SEC. 302. The Secretary of the Air Force may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $1,000,000.

SEC. 303. The Secretary of the Air Force may establish or develop Air Force installations and facilities by proceeding with construction made necessary by changes in Air Force missions and responsibilities which have been occasioned by: (1) unforeseen security considerations, (2) new weapons developments, (3) new and unforeseen research and development requirements, or (4) improved production schedules, if the Secretary of Defense determines that deferral of such construction for inclusion in the next Military Construction Authorization Act would be inconsistent with interests of national security, and in connection therewith to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the amount of $10,000,000; *Provided*, That the Secretary of the Air Force, or his designee, shall notify the Committees on Armed Services of the Senate and House of Representatives, immediately upon reaching a final decision to implement, of the cost of construction of any public work undertaken under this section, including those real estate actions pertaining thereto. This authorization will expire as of September 30, 1974, except for those public works projects concerning which the Committee on Armed Services of the Senate and House of Representatives have been notified pursuant to this section prior to that date.

TITLE IV

SEC. 401. The Secretary of Defense may establish or develop military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities and equipment, for defense agencies for the following acquisition and construction:

DEFENSE NUCLEAR AGENCY

Kirtland Air Force Base, Albuquerque, New Mexico, $374,000.

Atomic Energy Commission Nevada Test Site, Las Vegas, Nevada, $200,000.

DEFENSE SUPPLY AGENCY

Defense Construction Supply Center, Columbus, Ohio, $1,188,000.

Defense Depot, Mechanicsburg, Pennsylvania, $2,048,000.

Defense Depot, Memphis, Tennessee, $360,000.

Defense Depot, Ogden, Utah, $250,000.

Defense Depot, Tracy, California, $747,000.

Defense General Supply Center, Richmond, Virginia, $2,653,000.

Defense Logistics Services Center, Battle Creek, Michigan, $160,000.

Defense Personnel Support Center, Philadelphia, Pennsylvania, $560,000.

Regional Office, Defense Contract Administration Services, Chicago, Illinois, $404,000.

NATIONAL SECURITY AGENCY

Fort George G. Meade, Maryland, $8,156,000.

TITLE V—MILITARY FAMILY HOUSING

SEC. 501. The Secretary of Defense, or his designee, is authorized to construct, at the locations hereinafter named, family housing units and mobile home facilities in the numbers hereinafter listed, but no family housing construction shall be commenced at any such locations in the United States, until the Secretary shall have consulted with the Secretary of the Department of Housing and Urban Development, as to the availability of adequate private housing at such locations. If agreement cannot be reached with respect to the availability of adequate private housing at any location, the Secretary of Defense shall immediately notify the Committees on Armed services of the House of Representatives and the Senate, in writing, of such difference of opinion, and no contract for construction at such location shall be entered into for a period of thirty days after such notification has been given. This authority shall include the authority to acquire land, and interests in land, by gift, purchase, exchange of Government-owned land, or otherwise.

(a) Family housing units—

(1) The Department of the Army, six thousand one hundred thirty-five units, $178,208,000.

Fort Carson, Colorado, two hundred units.

Eglin Air Force Base, Florida, twenty-five units.

United States Army Installations, Oahu, Hawaii, one thousand units.

Fort Riley, Kansas, nine hundred one units.

Fort Campbell, Kentucky, one thousand units.

Fort Polk, Louisiana, five hundred units.

Aberdeen Proving Ground, Maryland, one hundred sixty-six units.

Fort Bragg/Pope Air Force Base, North Carolina, one hundred thirty-six units.

Tobyhanna Army Depot, Pennsylvania, eighty-six units.

Fort Hood, Texas, nine hundred units.

Red River Army Depot, Texas, twenty-one units.

Fort Belvoir, Virginia, seven hundred units.

Fort Eustis, Virginia, three hundred units.

Fort Monroe, Virginia, two hundred units.

(2) The Department of the Navy, three thousand seven hundred forty-one units, $117,675,000.

Marine Corps Base, Camp Pendleton, California, eight hundred units.

Navy Facility, Centerville Beach, California, sixty units.

Marine Corps Base, Twentynine Palms, California, two hundred units.

Naval Training Center, Orlando, Florida, three hundred units.

Naval Complex, Oahu, Hawaii, six hundred units.

Naval Complex, New Orleans, Louisiana, one hundred units.

Naval Support Facility, Thurmont, Maryland, six units.

Construction Battalion Center, Gulfport, Mississippi, one hundred units.

Naval Home, Gulfport, Mississippi, five units.

Naval Complex, South Philadelphia, Pennsylvania, three hundred fifty units.

Naval Complex, Charleston, South Carolina, two hundred seventy units.

Naval Complex, Guam, Marianas Islands, eight hundred units.

Naval Station, Keflavik, Iceland, one hundred fifty units.

(3) The Department of the Air Force, one thousand eight hundred units, $55,501,000.

Blytheville Air Force Base, Arkansas, one hundred units.

Avon Park Weapons Range, Florida, fifty units.

Eglin Air Force Base, Florida, two hundred fifty units.

United States Air Force Installations, Oahu, Hawaii, four hundred units.

Andrews Air Force Base, Maryland, three hundred units.

Grand Forks Air Force Base, North Dakota, two hundred units.

Sheppard Air Force Base, Texas, two hundred units.

Andersen Air Force Base, Guam, Marianas Islands, three hundred units.

(b) Mobile Home Facilities—

(1) The Department of the Army, eight hundred twenty-five spaces, $3,300,000.

(2) The Department of the Navy, one hundred spaces, $400,000.

(3) The Department of the Air Force, four hundred fifteen spaces, $2,000,000.

SEC. 502. Authorization for the construction of family housing provided in this Act shall be subject, under such regulations as the Secretary of Defense may prescribe, to the following limitations on cost, which shall include shades, screens, ranges, refrigerators, and all other installed equipment and fixtures.

(a) The average unit cost for each military department for all units of family housing constructed in the United States (other than Hawaii and Alaska) shall not exceed $27,500 including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

(b) No family housing unit in the area specified in subsection (a) shall be constructed at a total cost exceeding $45,000 including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

(c) When family housing units are constructed in areas other than that specified in subsection (a) the average cost of all such units shall not exceed $38,000 and in no event shall the cost of any unit exceed $45,000. The cost limitations of this subsection shall include the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

SEC. 503. The Secretary of Defense, or his designee, is authorized to accomplish alterations, additions, expansions or extensions not otherwise authorized by law, to existing public quarters at a cost not to exceed—

(1) for the Department of the Army, $28,160,000.

(2) for the Department of the Navy, $10,600,000.

(3) for the Department of the Air Force, $23,750,000.

SEC. 504. Notwithstanding the limitations contained in prior Military Construction Authorization Acts on cost of construction of family housing, the limitations on such cost contained in Section 502 of this Act shall apply to all prior authorizations for construction of family housing not heretofore repealed and for which construction contracts have not been executed by the date of enactment of this Act.

SEC. 505. The Secretary of Defense, or his designee, is authorized to construct, or otherwise acquire, in foreign countries, twelve family housing units. This authority shall include the authority to acquire land and interests in land. The authorization contained in this section shall not be subject to the cost limitations set forth in Section 502 of this Act: *Provided*, That the cost shall not exceed a total of $520,000 for all units nor $60,000 for any one unit, including the cost of the family unit and the proportionate costs of land acquisition, site preparation, and installation of utilities.

SEC. 506(a). Subsection 610(a) of Public Law 90–110 (81 Stat. 279, 305), as amended, is amended to read as follows:

"SEC. 610. (a) None of the funds authorized by this or any other Act may be expended for the improvement of any single family housing unit, or for the improvement of two or more housing units when such units are to be converted into or used as a single family housing unit, the costs of which exceed $15,000 per unit including costs of repairs undertaken in connection

therewith, and including any costs in connection with (1) the furnishing of electricity, gas, water and sewage disposal; (2) roads and walks; and (3) grading and drainage, unless such improvement in connection with such unit or units is specifically authorized by law. As used in this section the term "improvement" includes alteration, expansion, extension, or rehabilitation of any housing unit or units, including that maintenance and repair which is to be accomplished concurrently with an improvement project. The provisions of this section shall not apply to projects authorized for restoration or replacement of housing units damaged or destroyed."

(b) The Secretary of Defense, or his designee, is authorized to accomplish repairs and improvements to existing public quarters in amounts in excess of the $15,000 limitation prescribed in subsection (a) of this section as follows:

Elmendorf Air Force Base, Alaska, one unit, $35,800.

Marine Corps Base, Twentynine Palms, California, one unit, $17,000.

Fort McNair, Washington, District of Columbia, five units, $165,000.

Naval Complex, New Orleans, Louisiana, four units, $119,600.

Ramstein Air Base, Federal Republic of Germany, one unit, $26,500.

SEC. 507. Section 515 of Public Law 84–161 (69 Stat. 324, 352), as amended, is further amended to read as follows:

"SEC. 515. During fiscal years 1974 and 1975, the Secretaries of the Army, Navy, and Air Force, respectively, are authorized to lease housing facilities for assignment as public quarters to military personnel and their dependents, without rental charge, at or near any military installation in the United States, Puerto Rico, or Guam if the Secretary of Defense, or his designee, finds that there is a lack of adequate housing at or near such military installation and that (1) there has been a recent substantial increase in military strength and such increase is temporary, or (2) the permanent military strength is to be substantially reduced in the near future, or (3) the number of military personnel assigned is so small as to make the construction of family housing uneconomical, or (4) family housing is required for personnel attending service school academic courses on permanent change of station orders, or (5) family housing has been authorized but is not yet completed or a family housing authorization request is in a pending military construction authorization bill. Such housing facilities may be leased on an individual unit basis and not more than ten thousand such units may be so leased at any one time. Expenditures for the rental of such housing facilities, including the cost of utilities and maintenance and operation, may not exceed: for the United States (other than Hawaii), Puerto Rico, and Guam an average of $210 per month for each military department, or the amount of $290 per month for any one unit; and for Hawaii, an average of $255 per month for each military department, or the amount of $300 per month for any one unit."

SEC. 508. Section 507 of Public Law 88–174 (177 Stat. 307, 326), as amended, is further amended to read as follows:

"SEC. 507. For the purpose of providing military family housing in foreign countries, the Secretary of Defense is authorized to enter into agreements guaranteeing the builders or other sponsors of such housing a rental return equivalent to a specified portion of the annual rental income which the builders or other sponsors would receive from the tenants if the housing were fully occupied: *Provided*, That the aggregate amount guaranteed under such agreements entered into during the fiscal years 1974 and 1975 shall not exceed such amount as may be applicable to five thousand units: *Provided further*, That no such agreeemnt shall guarantee the payment of more than 97 per centum of the anticipated rentals, nor shall any guarantee extend for a period of more than ten years, nor shall the average guaranteed rental on any project exceed $275 per unit per month, including the cost of maintenance and operation."

SEC. 509(a). Chapter 159 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2684. Construction of Family Quarters; limitations on space

(a) In the construction of family quarters for members of the Armed Forces, the following are the maximum space limitations:

Pay grade(s)	Number of bedrooms	Net floor area (square feet)
O–7 and above	4	2,100
O–6	4	1,700
O–4 and O–5	4	1,550
	3	1,400
O–1 through O–3; W–1 through W–4; and E–7 through E–9	5	1,550
	4	1,450
	3	1,350
	2	950
E–1 through E–6	5	1,550
	4	1,350
	3	1,200
	2	950

As used in this section "net floor area" means the space inside the exterior walls, excluding: basement; service space instead of basement; attic; garage; carport; porches; and stairwells.

(b) The maximum limitations prescribed by subsection (a) are increased by ten per centum for quarters of the commanding officer of any station, air base, or other installation, based on the grade authorized for that position.

(c) The maximum limitations for family quarters constructed for key and essential civilian personnel are the same as those for military personnel of comparable grade, as determined by the Secretary of Defense.

(d) The maximum net floor area prescribed by subsection (a) may be increased up to five per centum if the Secretary of Defense, or his designee, determines that such increase is in the best interest of the government to permit award of a turnkey construction project to the contractor offering the most satisfactory proposal. Any increase made under subsection (b) when combined with an increase under this subsection, may not exceed an aggregate of ten per centum."

(b) The analysis of such Chapter 159 is amended by adding at the end thereof the following "2684. Construction of Family Quarters, limitations on space."

(c) Chapter 449 of title 10, United States Code, is amended by repealing section 4774, except for subsection (d) thereof, which subsection remains with the "(d)" deleted; and by revising the corresponding item in the catchline and analysis to read; "Construction: limitations".

(d) Chapter 649 of title 10, United States Code, is amended by repealing sections 7574 and 7575 and by striking out the corresponding items in the analysis.

(e) Chapter 949 of title 10, United States Code, is amended by repealing section 9774, except subsection (d) thereof, which subsection remains with the "(d)" deleted; and by revising the corresponding item in the catchline and analysis to read; "Construction: limitations"

SEC. 510. Notwithstanding the provisions of any other law, the Secretary of the Air Force is authorized to settle claims regarding repairs and improvements to public quarters at F. E. Warren Air Force Base, Wyoming, in the amount of $41,221.93.

SEC. 511. There is authorized to be appropriated for use by the Secretary of Defense, or his designee, for military family housing as authorized by law for the following purposes:

(1) for construction and acquisition of family housing, including improvements to adequate quarters, improvements to inadequate quarters, minor construction, relocation of family housing, rental guarantee payments, construction and acquisition of mobile home facilities, and planning, an amount not to exceed $423,774,000; and

(2) for support of military family housing, including operating expenses, leasing, maintenance of real property, payments of principal and interest on mortgage debts incurred, payment to the Commodity Credit Corporation, and mortgage insurance premiums authorized under section 222 of the National Housing Act, as amended (12 U.S.C. 1715m) an amount not to exceed $826,793,000.

TITLE VI—GENERAL PROVISIONS

SEC. 601. The Secretary of each military department may proceed to establish or develop installations and facilities under this Act without regard to section 3648 of the Revised Statutes, as amended (31 U.S.C. 529), and sections 4774 and 9774 of title 10, United States Code. The authority to place permanent or temporary improvements on land includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under section 355 of the Revised Statutes, as amended (40 U.S.C. 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 602. There are authorized to be appropriated such sums as may be necessary for the purposes of this Act, but appropriations for public works projects authorized by titles I, II, III, IV, and V, shall not exceed—

(1) for title I: Inside the United States, $548,558,000; outside the United States, $108,581,000; section 102, $3,000,000; or a total of $660,139,000.

(2) for title II: Inside the United States, $581,462,000; outside the United States, $48,664,000; or a total of $630,126,000.

(3) for title III: Inside the United States, $270,793,000; outside the United States, $31,407,000; section 302, $1,000,000; or a total of $303,200,000.

(4) for title IV: A total of $17,100,000.

(5) for title V: Military family housing, $1,250,567,000.

SEC. 603. (a) Except as provided in subsection (b), any of the amounts specified in titles I, II, III, and IV of this Act, may, in the discretion of the Secretary concerned, be increased by 5 per centum when inside the United States (other than Hawaii and Alaska), and by 10 per centum when outside the United States or in Hawaii and Alaska, if he determines that such increase (1) is required for the sole purpose of meeting unusual variations in cost, and (2) could not have been reasonably anticipated at the time such estimate was submitted to the Congress. However, the total cost of all construction and acquisition in each such title may not exceed the total amount authorized to be appropriated in that title.

(b) When the amount named for any construction or acquisition in title I, II, III, or IV of this Act involves only one project at any military installation and the Secretary of Defense, or his designee, determines that the amount authorized must be increased by more than the applicable percentage prescribed in subsection (a), the Secretary concerned may proceed with such construction or acquisition if the amount of the increase does not exceed by more than 25 per centum the amount named for such project by the Congress.

(c) Subject to the limitations contained in subsection (a), no individual project author-

ized under title I, II, III, or IV of this Act for any specifically listed military installation may be placed under contract if—

(1) the estimated cost of such project is $250,000 or more, and

(2) the current working estimate of the Department of Defense, based upon bids received, for the construction of such project exceeds by more than 25 per centum the amount authorized for such project by the Congress, until after the expiration of thirty days from the date on which a written report of the facts relating to the increased cost of such project, including a statement of the reasons for such increase, has been submitted to the Committees on Armed Services of the House of Representatives and the Senate.

(d) The Secretary of Defense shall submit an annual report to the Congress identifying each individual project which has been placed under contract in the preceding twelve-month period and with respect to which the then current working estimate of the Department of Defense based upon bids received for such project exceeded the amount authorized by the Congress for that project by more than 25 per centum. The Secretary shall also include in such report each individual project with respect to which the scope was reduced in order to permit contract award within the available authorization for such project. Such report shall include all pertinent cost information for each individual project, including the amount in dollars and percentage by which the current working estimate based on the contract price for the project exceeded the amount authorized for such project by the Congress.

SEC. 604. Contracts for construction made by the United States for performance within the United States and its possessions under this Act shall be executed under the jurisdiction and supervision of the Corps of Engineers, Department of the Army, or the Naval Facilities Engineering Command, Department of the Navy, or such other department or Government agency as the Secretaries of the military departments recommend and the Secretary of Defense approves to assure the most efficient, expeditious and cost-effective accomplishment of the construction herein authorized. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives a breakdown of the dollar value of construction contracts completed by each of the several construction agencies selected, together with the design, construction supervision, and overhead fees charged by each of the several agents in the execution of the assigned construction. Further, such contracts (except architect and engineering contracts which, unless specifically authorized by the Congress, shall continue to be awarded in accordance with presently established procedures, customs, and practice) shall be awarded, insofar as practicable, on a competitive basis to the lowest responsible bidder, if the national security will not be impaired and the award is consistent with chapter 137 of title 10, United States Code, provided that such contracts under regulations established by the Secretary of Defense may be awarded on a competitive basis by turnkey one step procedures. The Secretaries of the military departments shall report annually to the President of the Senate and the Speaker of the House of Representatives with respect to all contracts awarded on other than a competitive basis to the lowest responsible bidder.

SEC. 605. As of October 1, 1974, all authorizations for military public works, including family housing, to be accomplished by the Secretary of a military department in connection with the establishment or development of military installations and facilities, and all authorizations for appropriations therefor, that are contained in titles I, II, III, IV, and V of the Act of October 25, 1972, Public Law 92–545 (86 Stat. 1135), and all such authorizations contained in Acts approved before October 26, 1972, and not superseded or otherwise modified by a later authorization are repealed except——

(1) authorizations for public works and for appropriations therefor that are set forth in those Acts in the titles that contain the general provisions;

(2) authorizations for public works projects as to which appropriated funds have been obligated for construction contracts, land acquisition, or payments to the North Atlantic Treaty Organization, in whole or in part before October 1, 1974, and authorizations for appropriations therefor;

(3) notwithstanding the repeal provisions of section 705(b) of the Act of October 25, 1972, Public Law 92–545 (86 Stat. 1135, 1153), all authorizations for construction of family housing, including mobile home facilities, all authorizations to accomplish alterations, additions, expansion, or extensions to existing family housing, and all authorizations for related facilities projects under said act are hereby continued and shall remain in effect until October 1, 1974; and

(4) notwithstanding the repeal provisions of section 750(a), of the Act of October 25, 1972, Public Law 92–545 (86 Stat. 1135, 1153), authorizations for the following items which shall remain in effect until October 1, 1975:

(a) airfield expansion in the amount of $882,000 for the United States Army Security Agency, that is contained in title I, section 101, under the heading "OUTSIDE THE UNITED STATES" of the Act of October 27, 1971 (85 Stat. 394, 395), as amended.

(b) Environmental Health Effects Laboratory in the amount of $4,500,000 for the Naval Medical Research Institute, Bethesda, Maryland, that is contained in title II, section 201, under the heading "INSIDE THE UNITED STATES" of the Act of October 27, 1971 (85 Stat. 394, 397).

SEC. 606. None of the authority contained in titles I, II, III, and IV of this Act shall be deemed to authorize any building construction projects inside the United States in excess of a unit cost to be determined in proportion to the appropriate area construction cost index, based on the following unit cost limitations where the area construction index is 1.0:

(1) $28.50 per square foot for permanent barracks;

(2) $30.50 per square foot for bachelor officer quarters; unless the Secretary of Defense or his designee determines that because of special circumstances, application to such project of the limitations on unit costs contained in this section is impracticable: Provided, That notwithstanding the limitations contained in prior Military Construction Authorization Acts on unit costs, the limitations on such costs contained in this section shall apply to all prior authorizations for such construction not heretofore repealed and for which construction contracts have not been awarded by the date of enactment of this Act.

SEC. 607. Section 709 of Public Law 92–145 (85 Stat. 394, 414), as amended, is amended to read as follows: "Notwithstanding any other provision of law, none of the lands constituting Camp Pendleton, California, may be sold, transferred, or otherwise disposed of by the Department of Defense unless hereafter authorized by law: Provided, however, That with respect to said lands the Secretary of the Navy, or his designee, may grant leases, licenses, or easements pursuant to his existing authority."

SEC. 608. Chapter 159 of title 10, United States Code, is amended as follows:

(1) Section 2674(f) is amended by striking out the phrase "every six months" in the second line and inserting "annually" in place thereof.

(2) Section 2676 is amended by changing the period at the end thereof to a semicolon and adding the following: "Provided, That this limitation shall not apply to the acceptance by a military department of real property acquired under the authority of the Administrator of General Services to acquire property by the exchange of Government property pursuant to the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.)."

(3) Section 2672 is amended to redesignate the existing section as subsection "(a)" and by adding a subsection "(b)" as follows:

"Upon a determination by the Secretary of Defense that deferral of an acquisition under this subsection for inclusion in the next Military Construction Authorization Act would be inconsistent with the interest of national defense, and after notifying the Committees on Armed Services of the Senate and House of Representatives, the Secretary of a military department may acquire, without regard to the limitation in subsection (a) above and under such terms as he deems appropriate, any interest in land required to maintain the operational integrity of a military installation. This authority includes authority to make surveys and acquire such interests in land (including temporary use) by gift, purchase, or otherwise."

(4) The catchline of section 2672 is amended by adding the following at the end thereof: "and for other purposes".

SEC. 609. Titles I, II, III, IV, V, and VI of this Act may be cited as the "Military Construction Authorization Act, 1974".

TITLE VII—RESERVE FORCES FACILITIES

SEC. 701. Subject to Chapter 133 of Title 10, United States Code, the Secretary of Defense may establish or develop additional facilities for the Reserve Forces, including the acquisition of land therefor, but the cost of such facilities shall not exceed—

(1) For the Department of the Army:

(a) Army National Guard of the United States, $29,900,000.

(b) Army Reserve, $35,900,000.

(2) For the Department of the Navy: Naval and Marine Corps Reserves, $18,858,000.

(3) For the Department of the Air Force:

(a) Air National Guard of the United States, $16,000,000.

(b) Air Force Reserve, $9,000,000.

SEC. 702. The Secretary of Defense may establish or develop installations and facilities under this Title without regard to Section 3648 of the Revised Statutes, as amended (31 USC 529), and Sections 4774 and 9774 of Title 10, United States Code. The authority to place permanent or temporary improvements on lands includes authority for surveys, administration, overhead, planning, and supervision incident to construction. That authority may be exercised before title to the land is approved under Section 355 of the Revised Statutes, as amended (40 USC 255), and even though the land is held temporarily. The authority to acquire real estate or land includes authority to make surveys and to acquire land, and interests in land (including temporary use), by gift, purchase, exchange of Government-owned land, or otherwise.

SEC. 703. This Title may be cited as the "Reserve Forces Facilities Authorization Act, 1974."

THE SECRETARY OF DEFENSE,
Washington, D.C., May 3, 1973.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation "To authorize certain construction at military installations and for other purposes."

This proposal is a part of the Department of Defense legislative program for FY 1974. The Office of Management and Budget on

February 22, 1973, advised that its enactment would be in accordance with the program of the President.

This legislation would authorize military construction needed by the Department of Defense at this time, and would provide additional authority to cover deficiencies in essential construction previously authorized. Appropriations in support of this legislation are provided for in the Budget of the United States Government for the FY 1974.

Titles I, II, III, and IV of this proposal would authorize $1,610,565,000 in new construction for requirements of the Active Forces, of which $660,139,000 are for the Department of the Army; $630,126,000 for the Department of the Navy; $303,200,000 for the Department of the Air Force; and $17,100,000 for the Defense Agencies.

Title V contains legislative recommendations considered necessary to implement the Department of Defense family housing program and authorizes $1,250,567,000 for costs of that program for FY 1974.

Title VI contains General Provisions generally applicable to the Military Construction Program.

Title VII totaling $109,658,000 would authorize construction for the Reserve Components, of which $29,900,000 is for the Army National Guard; $35,900,000 for the Army Reserve; $18,858,000 for the Naval and Marine Corps Reserve; $16,000,000 for the Air National Guard; and $9,000,000 for the Air Force Reserve. These authorizations are in lump sum amounts and will be utilized in accordance with the requirements of chapter 133, title 10, United States Code.

The projects which would be authorized by this proposal have been reviewed to determine if environmental impact statements are required in accordance with Public Law 91-190. Required environmental statements will be submitted to the Congress by the military departments when necessary procedures have been completed.

Sincerely,

ELLIOT L. RICHARDSON.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1799. A bill to convey to the Ely Indian Colony the beneficial interest in certain Federal land. Referred to the Committee on Interior and Insular Affairs.

Mr. BIBLE. Mr. President: On behalf of myself and my distinguished colleague, Senator CANNON, I introduce for appropriate referral a bill to convey to the Ely, Nevada, Indian Colony the beneficial interest in some 90 acres of land in White Pine County, Nev., to be used for the benefit of these native Americans.

At the present time, the land available to this particular colony is less than 10 acres. This was purchased in 1930 by the United States for Indian village purposes. It was contemplated at that time that it would be occupied by some five Indian families with a population of about 30.

Today, the tribal membership is near 100 and the need for additional land and facilities is urgent if this low-income minority group is to have the advantages that have accrued to their more prosperous neighbors.

Enactment of the legislation will make sufficient land available to take care of the tribal members and also permit them to take advantage of programs that enable these people to construct their own homes and provide sanitary facilities and living conditions that give them an opportunity to enjoy the same type of living standards that are available to most of us.

I introduced identical legislation in the 92d Congress. Unfortunately, that bill was not reached for action and I trust that early approval by the administration and prompt action by the committee will be forthcoming this year.

I ask unanimous consent that Resolution No. 71-E-2 of the governing body of the Ely Colony Council, dated November 12, 1971, be printed in the RECORD following my remarks.

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

RESOLUTION OF THE GOVERNING BODY OF THE ELY COLONY COUNCIL

Whereas, this organization is an Indian organization located in Ely, White Pine County, Nevada known as the Ely Colony Council, and

Whereas, the Ely Indians need to acquire a suitable site for housing, and commercial development to enhance their economic opportunities, and

Whereas, there exists a parcel of land south of the City of Ely described as the N½NW¼ SE¼ and NE¼NE¼SW¼ and NW¼NE¼ SE¼ Sec. 22, T. 16 N., R. 63 E.

Whereas, there also exists a parcel of vacant Public Domain land adjacent to the parcel above described which is the S½NW¼ SE¼ and E½NE¼SE¼ and SW¼NE¼ SE¼ Sec. 22, T. 16 N., R. 63E., embracing approximately 50 acres.

Now, therefore, be it resolved That all prior resolutions in connection with this withdrawal action are hereby rescinded.

Be it further resolved That we request the herein described lands be withdrawn for the Ely Indian Colony to be held in trust by the United States of America.

Be it further resolved That the Nevada Congressional Delegation is requested to introduce appropriate legislation that will convey this land to the Ely Indian Colony.

Be it further resolved That the Tribal Secretary is authorized to send copies of this resolution to the Nevada Congressional Delegation; the Superintendent, Nevada Indian Agency, the Inter-Tribal Council of Nevada; the Commissioner of Indian Affairs; and the Secretary of the Interior.

CERTIFICATION

I, the undersigned, hereby certify that the Ely Colony Council is composed of 5 members of whom 5 constituting a quorum were present at a duly called meeting which was convened and held on the 12 day of Nov., 1971, and that the foregoing resolution was duly adopted by a vote of 5 for and 0 against, pursuant to authority contained in the Constitution and By-Laws of the Ely Indian Colony approved April 8, 1969.

———, *Secretary.*

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1800. A bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians. Referred to the Committee on Interior and Insular Affairs.

Mr. BIBLE. Mr. President, on behalf of myself and Senator CANNON, I introduce for appropriate reference a bill to authorize the use of facilities at the Owyhee Indian Hospital of the Duck Valley Indian Reservation to provide certain medical care to non-Indians.

The Owyhee hospital is located on the Duck Valley Indian Reservation in Nevada and Idaho, in a remote and sparsely settled region of both States. There are some 600 non-Indians within a 50-mile radius of this hospital. When they need medical assistance—even routine care—they must travel over 100 miles to reach a medical facility.

Medical service must be made more readily available to these people. I think the need is obvious. The measure I am introducing today would authorize and direct the Secretary of Health, Education, and Welfare, subject to the consent of the Indian tribes involved, to take such action as may be necessary in order to utilize the Owyhee hospital for the purpose of providing nonemergency medical care to non-Indians living within approximately 50 miles of the hospital. Such care would be provided on a fee-for-service basis.

The Shoshone Paiute Business Council of the Duck Valley Reservation passed a resolution in June 1968 supporting this proposal. I ask that the resolution appear in the RECORD following my remarks.

Mr. President, this legislation will serve a dual purpose. It will humanely enable non-Indians living in this remote part of our country to more readily obtain necessary medical attention. It will also help assure that this facility will be adequately utilized, and the fees paid by non-Indians will contribute to the financial support of the hospital.

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

RESOLUTION OF THE SHOSHONE PAIUTE TRIBES OF THE DUCK VALLEY INDIAN RESERVATION

Be it resolved by the Shoshone Paiute Tribes of the Duck Valley Reservation:

Whereas, the Shoshone Paiute Business Council realizes that medical care is a very important factor in daily living, and that the Owyhee Indian Hospital is doing an excellent job of caring for the medical needs of the Indian population of the Duck Valley Reservation, and

Whereas there are approximately 650 non-Indians within a 50 mile radius of Owyhee that have to travel 100 miles each way, sometimes taking a full day off work to seek medical attention, sometimes only to learn that a common drugstore remedy would satisfy the need, and

Whereas these non-Indians have expressed an interest in receiving routine, non-emergency medical care in letters to Senator Bible and Congressman Baring during 1961 and the Superintendent of the Elko County School District asked Senator Bible to intercede for the non-Indian teachers and their families employed in the Owyhee School, and

Whereas the cost of operation per patient per day of the Owyhee Indian Hospital was double that of the average in the Phoenix Area, which is directly related to the size of the hospital and the number of people it serves: Now, therefore be it

Resolved, That the Shoshone Paiute Business Council hereby requests Public Health Service to make every attempt to cause proper legislation to be enacted so that our non-Indian neighbors may receive routine, non-emergency medical care at the Owyhee Indian Hospital, and the Shoshone Paiute Business Council recognizes the fact that congress will have to authorize this request, so be it further

Resolved, That the Shoshone Paiute Business Council requests all non-Indians in a 50 mile radius of Owyhee to make their interest in this matter known to Public Health Service and to members of Congress and Be it further

Resolved, That the Shoshone Paiute Business Council will solicit the approval of the County Medical Society and the State Medical and Hospital Associations and all surrounding medical facilities.

By Mr. BIBLE (for himself, Mr. CANNON, Mr. GRAVEL, and Mr. STEVENS):

S. 1801. A bill to authorize certain Indian hospital facilities to be made available to non-Indians under certain conditions. Referred to the Committee on Interior and Insular Affairs.

Mr. BIBLE. Mr. President, on behalf of myself and other Senators, I introduce for appropriate reference a bill to authorize certain Indian hospital facilities to be made available to non-Indians under certain conditions.

The purpose of this legislation is to authorize the Secretary of Health, Education, and Welfare to make remote Indian medical facilities available to non-Indians under certain conditions, with the consent of the major Indian tribes served by the facility, and provided that priority is given the needs of Indian people.

The high cost of medical resources and the scarcity of professional skills have clearly delineated the need for more effective utilization of existing health centers and health manpower skills. Throughout the United States, there exist pockets of medical care deprivation, not caused by the lack of resources, but by lack of legislative authority to make existing health resources available to those in need. For example, there are approximately 600 non-Indians residing within a 50-mile radius of the Owyhee, Nev., Indian Hospital and the nearest hospital for these people is at Elko, Nev., approximately 90 miles away.

While other hospitals of the Division of Indian Health located in remote areas are made available to Federal employees and their dependents under existing law, no provision, except for emergencies, has been made for private citizens who reside in the vicinity.

There is legal precedent for extending health care in Public Health Service Indian hospitals to nonbeneficiaries. In Alaska, such care is provided pursuant to 48 United States Code 49. The State of Alaska has designated certain areas as "remote" with reference to the availability of health services, and in these areas the Public Health Service hospitals provide health services on a reimbursable basis to nonbeneficiaries.

The present proposal will extend the Alaska program to all other remote areas in the Continental United States.

The use of remote Indian health centers will promote greater areawide health programing where restricted access exists at present. Additionally, the use of such facilities by nonbeneficiaries will assure fuller utilization of these expensive facilities, thereby achieving operating economies. Control of the hospitals would remain the responsibility of the Division of Indian Health thereby maintaining the desired quality of care. The primary mission of the hospital would remain the quality medical care of the Indian community.

Under the proposed bill, the health services provided would be supportive in nature. The bill does not in any way anticipate Federal usurpation of State, local, community, or private prerogative and responsibilities.

It is not anticipated the enactment of this proposal would add to the costs of the Federal Government as services would be provided on a "space available basis" and would be reimbursable.

By Mr. CANNON:

S. 1802. A bill relating to certain authority of the Joint Committee on Printing. Referred to the Committee on Rules and Administration.

BROOKS BILL AMENDMENT

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill to restore to the Joint Committee on Printing authority for the procurement of marginally punched continuous forms.

The act of October 30, 1965 (79 Stat. 1127, 40 U.S.C. 759(e)) gave the Administrator, General Services Administration, the authority to coordinate acquisition of automatic data processing equipment and related supplies for all Federal agencies and incidentally deleted the exemption heretofore granted to the Joint Committee on Printing under section 602(d)(18) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474(18)). That act has had the effect of encroaching upon the Joint Committee's exclusive authority over printing and binding for the Federal Government. This bill is intended to restore that authority.

By Mr. CANNON:

S. 1803. A bill to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to employees of the Government Printing Office. Referred to the Committee on Rules and Administration.

WAIVER OF CLAIMS—GPO

Mr. CANNON. Mr. President, I introduce, for appropriate reference, a bill to amend title 44, United States Code, to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to employees of the Government Printing Office. Section 5584, title 5, United States Code, authorizes the waiver in whole or part of erroneous payments of pay and allowances to employees of executive agencies when collection would be against equity and good conscience and not in the best interests of the United States. The Government Printing Office, however, is in the legislative branch and, as a result, the relief granted by that act is not extended to employees of the Government Printing Office. This bill would remedy that situation.

By Mr. FONG:

S. 1804. A bill to permit immediate retirement of certain Federal employees. Referred to the Committee on Post Office and Civil Service.

Mr. FONG. Mr. President, I introduce today a bill designed to permit the immediate retirement of certain Federal employees during a major reduction in force in a department or agency.

This measure would permit the optional retirement on reduced annuity of Federal employees with at least 25 years of service or, after becoming 50 years of age, with at least 20 years of service.

Under present law, an employee who is at least 50 years of age and has at least 20 years of service—or 25 years of service regardless of age—may retire on an immediate annuity if he is involuntarily separated. This may happen when he is reached by reduction-in-force action. However, unless the employee is old enough and has sufficient service to retire optionally—age 55 with 30 years of service, age 60 with 20 years of service, or age 62 with 5 years of service—he does not have the right to retire if he is not reached for reduction in force. In other words, even if the employee wants to retire, he may not do so unless he is actually reached for reduction in force. Consequently, under present law, an employee who is not old enough and does not have sufficient service may not retire—even if he is desirous of doing so—and thus permit a younger employee who wants to continue to work to be retained.

Mr. President, my bill would simply give the long-service employee who is not eligible to retire under the regular optional retirement provision of law the opportunity to retire voluntarily during a limited period when his department is undergoing a major reduction in force.

Under my bill, the Civil Service Commission would be authorized to make the determination as to when a reduction in force is major and would also fix the time within which employees could exercise the option to retire. In addition, the Commission will be responsible for making a determination as to whether eligible employees throughout the department could exercise the option to retire, or whether the option to retire would be restricted to eligible employees of the department who are employed in specific geographic areas or organizational units where the effects of the reduction in force are particularly severe.

Like Federal employees who are involuntarily separated, those who exercise the option to retire voluntarily in a major reduction in force will have their annuities reduced by one-sixth of 1 percent—2 percent a year—for each month they are under age 55.

Mr. President, my bill would be of tremendous benefit to employees, employers, and the community in which a Federal installation undergoing a reduction in force is located. As lawmakers and representatives of our respective States, we are all very familiar with how reductions in force have a depressing effect on employee morale and result in severe personal hardships caused by loss of income and uncertainty regarding future employment.

In addition, major reductions in force, through multiple "bumping" actions, have a disruptive effect on departmental management. However, to the extent that attrition, particularly retirement, reduces the need for involuntary separations—and the chain-effect displacement of employees with lower retention rights by those with higher retention rights—

these economic hardships and disruptions are mitigated.

Experience has shown that in a community where a Federal installation is a main source of employment, a major reduction in force may adversely affect the community's economy and well-being. Consequently, permitting people to retire on an annuity income and spreading voluntary retirements throughout an entire department or agency, as my bill proposes to do, would at least moderate the adverse effects of reductions in force on a particular community.

Another far-reaching benefit to be derived from my bill will be the opportunity it gives each department to enhance its future effectiveness in carrying out its responsibility by helping to retain younger employees. Under present law, nothing raises the average age of an organization more quickly than a substantial reduction in force in which the youngest employees with the lowest retention standing are separated and the oldest employees are retained.

Mr. President, in view of the recent announcement by the Pentagon to close many military bases around our country, the measure that I am introducing today becomes more urgent and important. Since October 1969, the Defense Department has been in a continuing period of declining civilian employment with approximately 300,000 civilian positions being eliminated.

In view of current and projected budgetary restrictions—and the need to adjust the predominantly civilian staffed support structure to the reductions taking place in the size of our Armed Forces—it is anticipated that many civilian positions will be affected by elimination or relocation. Consequently, my bill would be of great benefit to those who might be affected by reductions in force by permitting long-service employees who desire to retire, but not yet eligible to do so under present optional retirement provisions, to retire during a major reduction in force.

Mr. President, the Civil Service Commission supports this bill and the Department of Defense strongly endorses it. I am not aware of any opposition to the intent and purpose of the bill.

By Mr. RIBICOFF:

S. 1805. A bill to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act to revise certain eligibility conditions for annuities; to change the railroad retirement tax rates; and to amend the Interstate Commerce Act in order to improve the procedures pertaining to certain rate adjustments for carriers subject to part I of the act, and for other purposes. Referred by unanimous consent jointly to the Committees on Commerce, Finance, and Labor and Public Welfare.

RAILROAD RETIREMENT BENEFITS

Mr. RIBICOFF. Mr. President, Unless legislation is enacted soon to ratify the railroad labor-management wage and benefit agreement of March 1973, almost 2 million retired railroad workers, their dependents, and survivors will face severe cutbacks in railroad retirement benefits. The legislation I am introducing today would, by confirming the railroad pact, assure railroad workers of adequate retirement benefits, lower their retirement taxes, and set a lower voluntary retirement age without any reduction in retirement benefits.

The men and women who have been working on the railroad during their working years deserve the opportunity to spend their retirement years in comfort and security. Over 2,800 retired railroad workers in Connecticut depend on railroad benefits as their source of retirement income. Another 3,500 children and widows of deceased railroad workers also depend on this retirement system. All of these people will suffer cutbacks in benefits unless Federal legislation is enacted to ratify the bargaining agreement by July 1. Another 4,000 active Connecticut railroad employees also have a stake in an equitable retirement system. Today these workers are paying almost twice as much out of their paychecks for railroad retirement as others do for social security.

Both labor and management have recognized these problems. In March of this year, representatives of railroad labor and management reached agreement on a new 18-month national railroad pact concerning wages, health, welfare, pension, and other benefits. The present agreements expire on June 30 and the new one cannot take effect unless ratified by Congress.

The three major issues resolved in the March bargaining and included in this bill are retirement benefit levels, retirement tax levels, and retirement age.

First, the bill would extend the temporary retirement benefit increases enacted by Congress in the last 3 years through December 31, 1974. The benefit increases of the last few years have been enacted in order to assure that railroad retirement benefits merely are kept in line with the rising cost of living and rising social security benefits. Late last year, for example, we enacted over the President's veto a proposal to provide a railroad benefit increase which would match the 20-percent social security increase. There is no reason why railroad benefit increases should not be as permanent as hikes in social security benefits.

The legislation also assures that if any additional benefits are added to social security between now and the end of 1974 they will also be added to the railroad retirement system.

The second part of this proposal would cut back railroad retirement taxes on employees in order to bring them in line with social security taxes. Under the railroad retirement system, employees have to contribute 10.6 percent of payroll—with employers paying an equivalent amount. Under social security employees and employers each pay only 5.85 percent. As a result of the March 1973 pact the employers have agreed, effective October 1, 1973, to pick up all costs to the employee above 5.85 percent. This means that the employee contribution rate would decrease by 4.75 percent—from 10.6 to 5.85 percent. This provision will add $42.75 per month to the paychecks of railroad workers who now contribute the maximum amount to the system; 4,000 Connecticut workers and their families would receive an immediate boost in their take-home pay if this bill becomes law.

The third provision in this proposal would allow railroad employees with 30 years of service to retire at age 60 with full retirement benefits. This provision presently applies only to women. Not only will the average workers be able to enjoy his retirement years more fully, but more jobs will become available for younger workers as well. The railroad agreement ratified by this bill may become a trend setter in lowering the voluntary retirement age of millions of older Americans.

It is of utmost importance to all railroad workers, active and retired, as well as their families that this legislation be enacted before July 1, 1973. At that time the benefit increases enacted by Congress will expire unless this proposal is adopted. This would mean a benefit cut of over 50 percent. Such a cutback would be unconscionable.

I am pleased that identical legislation H.R. 7200, has been introduced and reported out of the House Interstate and Foreign Commerce Committees by HARLEY STAGGERS, Democrat, of West Virginia.

Mr. RIBICOFF subsequently said: Mr. President, I ask unanimous consent that a bill to amend the Railroad Retirement Act of 1937, which is being introduced today, be jointly referred to the Committees on Finance, Commerce, and Labor and Public Welfare.

The PRESIDING OFFICER (Mr. BIDEN). Is there objection to the request of the Senator from Connecticut? The Chair hears none, and it is so ordered.

By Mr. TUNNEY (for himself, Mr. CRANSTON, Mr. BENNETT, Mr. BIBLE, Mr. CANNON, Mr. DOMENICI, Mr. DOMINICK, Mr. GOLDWATER, Mr. HANSEN, Mr. HASKELL, Mr. MCGEE, Mr. MONTOYA, and Mr. MOSS):

S. 1807. A bill to authorize the Secretary of the Interior to execute a program of salinity control for the Colorado River, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

COLORADO RIVER BASIN SALINITY CONTROL ACT OF 1973

Mr. TUNNEY. Mr. President, I am today introducing a bill to authorize the Secretary of the Interior to implement a program for the control of salinity in the waters of the Colorado River system. This legislation is cosponsored by Senators CRANSTON, BENNETT, BIBLE, DOMENICI, DOMINICK, GOLDWATER, HANSEN, HASKELL, MCGEE, MONTOYA, and Moss.

For the past 9 years in Congress, I have represented cities and major farming areas which are heavily dependent upon the Colorado River for their water supply. The Imperial and Coachella Valleys are two of the Nation's most important farming areas solely because irrigation water is available from the Colorado River. Los Angeles, San Diego, Riverside, and scores or other southern California cities and towns have utilized water from the Colorado River to sup-

plement local supplies. Progress throughout southern California has depended on the Colorado River, and the region will continue to rely upon it in the future.

California is not the only State which relies upon these waters. Six other States in the Colorado River Basin, as well as areas in Mexico, are also heavily dependent upon the river for their water supplies.

Salinity in the Colorado River has become a problem of both national and international concern. The salinity of the river was high even in its original state, and use of the water by man has significantly increased the salinity to an extent which adversely affects both agricultural and urban users. The water Los Angeles County receives from the Colorado River has a salinity measurement of 740 parts per million, a figure which is expected to increase to 950 or more per million by the year 2000 if salinity control measures are not initiated. The U.S. Public Health recommendation is 500 parts per million.

The Environmental Protection Agency has estimated that present salinity levels are causing economic losses of many millions of dollars a year to U.S. users, and this cost will increase in the future unless salinity control measures are taken. In addition, with the final beneficial diversions of the river being made in Mexico, the increased salinity of the deliveries to our southerly neighbor has become a matter of international controversy.

The Department of the Interior developed a salinity control program which has been approved by the Environmental Protection Agency and consists of a number of measures to prevent hundreds of thousands of tons of salt from entering the river each year. The purpose of this legislation is to implement that program. The bill also will permit us to begin work on the La Verkin Springs project on the Virgin River in Utah, the Paradox Valley project on the Delores River in Colorado, and the Grand Valley irrigation improvement program in Colorado. It is expected that the initial phase of this program could remove over 400,000 tons of salt each year, which would result in enormous benefits to both urban and rural users of Colorado River water.

Mr. President, I ask unanimous consent that the bill and a section-by section analysis be printed at this point in my remarks.

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

S. 1807

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

TITLE I—OBJECTIVE

SEC. 101. That this Act may be cited as the "Colorado River Basin Salinity Control Act of 1973."

SEC. 102. (a) In recognition of the problems caused by the increasing concentration of dissolved solids in the waters of the main stem of the Colorado River downstream from Lee Ferry, and to preserve the general welfare of the citizens of the Nation, interstate harmony, and international comity with Mexico, it is the objective of this Act to provide a program for salinity control in the Colorado River Basin.

(b) It is the policy of Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall implement the salinity control policy adopted for the Colorado River in the "Conclusions and Recommendations" published in the Proceedings of the Reconvened Seventh Session of the Conference in the Matter of Pollution of the Interstate Waters of the Colorado River and Its Tributaries in the States of California, Colorado, Utah, Arizona, Nevada, New Mexico and Wyoming, held in Denver, Colorado on April 26–27, 1972, under the authority of Section 10 of the Federal Water Pollution Control Act (33 U.S.C. 1160), and approved by the Administrator of the Environmental Protection Agency on June 9, 1972.

(c) The Secretary is hereby directed to expedite the investigation, planning and implementation of the salinity control program generally as described in Chapter VI of the Secretary's report entitled, "Colorado River Water Quality Improvement Program, February 1972."

(d) In conformity with Section 102(b) of this Act and the authority of the Environmental Protection Agency under federal laws, the Secretary of the Administrator of the Environmental Protection Agency are directed to cooperate and coordinate their activities to effectively carry out the objective of this Act.

TITLE II—INITIAL STAGE

SEC. 201. In conformity with Sections 102 (b) and 102(c) of this Act, the Secretary is authorized to construct the following salinity control units as the initial stage of the Colorado River Basin Salinity Control Program: La Verkin Springs, Paradox Valley, and Grand Valley.

TITLE III—CONTINUING PROGRAM

SEC. 301. The Secretary is authorized and directed to:

(a) expedite completion of the planning reports on the following units, of which (1) through (3) are described in the Secretary's report, "Colorado River Water Quality Improvement Program, February 1972."

(1) Irrigation source control: Lower Gunnison, Uintah Basin, Colorado River Indian Reservation, and Palo Verde Irrigation District.

(2) Point source control: Littlefield Springs, Crystal Geyser, and Glenwood-Dotsero Springs.

(3) Diffuse source control: Price River, San Rafael River, Dirty Devil River, McElmo Creek, and Big Sandy River.

(4) Saline water collection system of Las Vegas Wash.

(b) submit each planning report on the units named in Section 301(a) of this Act promptly to the Colorado River Basin States and to such other parties as the Secretary deems appropriate for their review and comments. After receipt of comments on a unit and careful consideration thereof, the Secretary shall submit each final report with his recommendations to the President, other concerned federal departments and agencies, the Congress, and the Colorado River Basin States.

SEC. 302. The Secretary is directed:

(a) in the investigation, planning, construction, and implementation of any salinity control unit involving control of salinity from irrigation sources, to cooperate with the Secretary of Agriculture in carrying out research and demonstration projects and in implementing on-the-farm improvements and farm management practices and programs which will further the objective of this Act;

(b) to undertake research on additional methods for accomplishing the objective of this Act, utilizing to the fullest extent practicable the capabilities and resources of other federal departments and agencies, interstate institutions, states, and private organizations.

TITLE IV—ADVISORY COUNCIL

SEC. 401. (a) There is hereby created the Colorado River Basin Salinity Control Advisory Council composed of no more than three members from each State appointed by the Governor of each of the Colorado River Basin States.

(b) The Council shall be advisory only and shall:

(1) act as liaison between both the Secretary and the Administrator of the Environmental Protection Agency and the States in accomplishing the purposes of this Act;

(2) receive reports from the Secretary on the progress of the salinity control program and review and comment on said reports; and

(3) recommend to both the Secretary and the Administrator of the Environmental Protection Agency appropriate studies of further projects, techniques or methods for accomplishing the purposes of this Act.

TITLE V—ALLOCATION OF COSTS, REPAYMENTS

SEC. 501. The Secretary shall allocate the total costs of each unit or separable feature thereof authorized by Section 201 of this Act, as follows:

(a) In recognition of federal responsibility for the Colorado River as an interstate stream and for international comity with Mexico, Federal ownership of the lands of the Colorado River Basin from which most of the dissolved salts originate, and the policy embodied in the Federal Water Pollution Control Act Amendments of 1972 (86 Stat. 816), seventy-five percent of the total costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof shall be nonreimbursable.

(b) Twenty-five percent of the total costs shall be allocated between the Upper Colorado River Basin Fund established by Section 5(a) of the Colorado River Storage Project Act (70 Stat. 107) and the Lower Colorado River Basin Development Fund established by Section 403(a) of the Colorado River Basin Project Act (82 Stat. 895) after consultation with the Advisory Council created in Section 401(a) of this Act and consideration of the following items:

(1) benefits to be derived in each basin from the use of water of improved quality and the use of works for improved water management;

(2) causes of salinity; and

(3) availability of revenues in the Lower Colorado River Basin Development Fund and increased revenues to the Upper Colorado River Basin Fund made available under Section 504 of this Act: *Provided*, That costs allocated to the Upper Colorado River Basin Fund under Section 501(b) of this Act shall not exceed 15% of the costs allocated to the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund.

(c) Costs of construction of each unit or separable feature thereof allocated to the Upper Basin and to the Lower Basin under Section 501(b) of this Act shall be repaid within a 50-year period without interest from the date such unit or separable feature thereof is determined by the Secretary to be in operation.

SEC. 502. (a) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the Lower Basin under Section 501(b) of this Act shall be paid in accordance with subsection (b) of this section, from the Lower Colorado River Basin Development Fund.

(b) Section 403(g) of the Colorado River Basin Project Act (82 Stat. 896) is hereby amended as follows: strike the word "and" after the word "Act" in line 8; insert after the word "Act" the following: "(2) for repayment to the General Fund of the Treasury the costs of each salinity control unit or

separable feature thereof payable from the Lower Colorado River Basin Development Fund in accordance with Sections 501(b), 501(c), and 502(a) of the Colorado River Basin Salinity Control Act of 1973, and" change paragraph (2) to paragraph (3).

SEC. 503. (a) Costs of construction, operation, maintenance, and replacement of each unit or separable feature thereof allocated for repayment by the Upper Basin under Section 501(b) of this Act shall be paid in accordance with subsection (b) of this Section, from the Upper Colorado River Basin Fund within the limit of the funds made available under Section 504 of this Act.

(b) Section 5(d) of the Colorado River Storage Project Act (70 Stat. 108) is hereby amended as follows: strike the word "and" at the end of paragraph (3); strike the period after the word "years" at the end of paragraph (4) and insert a semicolon in lieu thereof followed by the word "and"; add a new paragraph (5) reading: "(5) the costs of each salinity control unit or separable feature thereof payable from the Upper Colorado River Basin Fund in accordance with Sections 501(b), 501(c) and 503(a) of the Colorado River Basin Salinity Control Act of 1973."

SEC. 504. The Secretary is authorized to make upward adjustments in rates charged for electrical energy under all contracts administered by the Secretary under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620) as soon as practicable and to the extent necessary to cover the costs of construction, operation, maintenance, and replacement of units allocated under Section 501(b) and in conformity with Section 501(c) of this Act: *Provided*, That revenues derived from said rate adjustments shall be available solely for the construction, operation, maintenance, and replacement of salinity control units in the Colorado River Basin herein authorized.

TITLE VI—GENERAL PROVISIONS

SEC. 601. Commencing on January 1, 1975, and every two years thereafter, the Secretary shall submit to the President, the Congress, and the Advisory Council created in section 401(a) of this Act a report on the Colorado River salinity control program authorized by this Act covering the progress of investigations, planning, and construction of salinity control units for the previous fiscal year, the effectiveness of such units, anticipated work needed to be accomplished in the future to meet the objective of this Act with emphasis on the needs during the five years immediately following the date of each report, and any special problems that may be impeding progress in attaining an effective salinity control program. Said report may be included in the biennial report on the quality of water of the Colorado River Basin prepared by the Secretary pursuant to section 15 of the Colorado River Storage Project Act (70 stat. 111; 43 U.S.C. 602n), section 15 of the Navajo Indian irrigation project and the initial stage of the San Juan-Chama Project Act (76 stat. 102, and section 6 of Fryingpan-Arkansas Project Act (76 stat. 393).

SEC. 602. Except as provided in sections 502(b) and 503(b) of this Act with respect to the Colorado River Storage Project Act and the Colorado River Basin Project Act, nothing in this Act shall be construed to alter, amend, repeal, modify, interpret, or be in conflict with the provisions of the Colorado River Compact (45 stat. 1057), the Upper Colorado River Basin Compact (63 stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 stat. 1219), the decree entered by the Supreme Court of the United States in Arizona v. California and others (376 U.S. 340), the Boulder Canyon Project Act (45 stat. 1057), Boulder Canyon Project Adjustment Act (54 stat. 774; 43 U.S.C. 618a), section 15 of the Colorado River Storage Project act (70 stat. 111; 43 U.S.C. 620n), the Colorado River Basin Project Act (82 stat. 885), section 6 of the Fryingpan-Arkansas Project Act (76 stat. 393), and section 15 of the Navajo Indian Irrigation Project and initial stage of the San Juan-Chama Project Act (76 stat. 102).

SEC. 603. As used in this Act:

(a) all terms that are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

SEC. 604. There are hereby authorized to be appropriated such sums as may be required to carry out the objectives of this Act.

COLORADO RIVER BASIN SALINITY CONTROL BILL—SECTION-BY-SECTION ANALYSIS

SECTION 101

This section provides that the Act may be cited as the "Colorado River Basin Salinity Control Act of 1973".

SECTION 102

This section gives recognition to the problems caused to the States of Arizona, California, Nevada, due to the increasing salinity of the Colorado River. Recognition is also given to the desirability of international comity with Mexico, which is the last user of Colorado River water. Congress declares its intent to institute a salinity control program based upon the policy adopted in the Conclusions and Recommendations published in the proceedings of the reconvened seventh session of the conference in the matter of the pollution of the interstate waters of the Colorado River and its tributaries in the States of California, Colorado, Utah, Arizona, Nevada, New Mexico, and Wyoming held in Denver, Colorado on April 26–27, 1972, and approved on June 9, 1972 by the Administrator of the Environmental Protection Agency. These conclusions and recommendations (copy enclosed) recognize that salinity is a basin-wide problem that needs to be solved by maintaining lower basin water salinity at or below present levels, while the Upper Colorado River Basin states of Colorado, Wyoming, Utah, and New Mexico continue to develop their Compact-apportioned water. The Secretary of Interior is directed to implement the program generally as described in Chapter VI of the Secretary's report entitled, "Colorado River Water Quality Improvement Program", October 1972. The Secretary of the Interior and Administrator of the Environmental Protection Agency are directed to cooperate and coordinate their activities to carry out the objectives of this Act.

SECTION 201

This section authorizes as initial units of the Colorado River Basin Salinity Control Program, the La Verkin Springs unit, Paradox Valley unit, and Grand Valley unit. These three projects were listed in the Conclusions and Recommendations of the Enforcement Conference as projects that should be accelerated so as to prevent the addition of at least 400,000 tons of salt per year from the Colorado River by 1977.

The La Verkin Springs Project is located along both banks and in the channel of the Virgin River, about 20 miles north of St. George, Utah. This spring produces an annual flow of about 7,200 acre-feet which contains over 100,000 tons of dissolved salts, as well as highly significant quantities of radioactive radium salts.

The salinity control project being proposed for La Verkin Springs would include facilities to bypass all but the flood flows of the Virgin River around the area of spring flow. The spring flow would be collected, given pretreatment and desalted. The desalted water would be returned to the river system or served directly to users with brines being conveyed to an impervious evaporation pond for final disposal. The construction cost is estimated at $12 million for the removal of about 80,000 tons of salt per year.

The Paradox Valley project is on the Dolores River, tributary to the Colorado River above Lake Powell. The river flows through a short stretch of the Paradox Valley in western Colorado. In traversing this valley, the river picks up over 200,000 tons of dissolved salts a year, due to the solution of minerals from a highly saline geologic formation. These salts come to the surface in the valley as rising ground water.

The salinity control project being considered for Paradox Valley would eliminate much of the salt pickup by intercepting the extremely saline rising ground water before it can enter the river system. This would be accomplished through a ground water extraction system. The saline water would be disposed of through evaporation in an impervious pond. Construction costs are estimated at $30 million, for the removal of 180,000 tons of salt per year.

The Grand Valley Project will reduce salt loading through improved use of irrigation water and an improved water delivery system.

The geologic formations comprising Grand Valley, located in western Colorado (the city of Grand Junction is within the valley), are typical of many valleys throughout the Upper Colorado River Basin. The alluvial valley is underlain, at depths from a few feet to over 100 feet, with the highly saline Mancos Shale. In flowing through the valley, the Colorado River's salt load is increased by about 700,000 tons per year. Investigators have estimated that about ⅓ of this total increase would occur in the absence of any activity of man, and the balance is primarily a result of irrigation activities within the valley.

The process by which dissolved salts are added to the river is believed to be the result of water percolating through the alluvium to an interface with the saline shales, dissolving salts from the shales, continuing to flow underground to rejoin the river. The percolating water originates from direct precipitation on the valley floor, from underflow from precipitation on surrounding hills and mountains, from seepage from unlined canals, laterals, and farmer's ditches, and from excess applications by farmers of irrigation water.

The salinity control project under investigation for Grand Valley would be applied to the irrigation facilities. The project would include the consolidation of excess canals and laterals, the lining of consolidated facilities, the lining of farmer's ditches, and the scheduling of irrigation deliveries to reduce excess deliveries. Construction costs are estimated to be about $92 million. Because the control process is indirect, estimates of salt removal vary between 140,000 and 300,000 tons of salt per year.

SECTION 301

This section lists the salinity control projects, all except one of which have been identified in the Secretary's 1972 report and appear to the feasible projects on a reconnaissance level basis. The Secretary is directed to expedite completion of planning reports on each of these projects. The one project not included in the Secretary's report, the "Saline Water Collection System of Las Vegas Wash", has been analyzed by consulting engineers and the Las Vegas Valley Water District and appears to be feasible on a reconnaissance level basis.

Point source control projects are those in areas of localized salt contributions such as mineral springs or outcrops of soluble formations adjacent to or underlying surface water sources. These sources are generally more susceptible to control than other sources of dissolved salts.

Diffuse source control projects are designed to control dissolved salts originating

from a wide-spread area. These projects have not been studied in sufficient detail to offer more than tentative plans and generally no cost estimates. The basic concept is to selectively remove and control the saline low flows from a stream and to bypass the yearly peak flows that are of lower salinity.

Irrigation source control projects involve a variety of measures, all designed to reduce the volume of water percolating through saline formations. These include careful scheduling of irrigation, changes in irrigation methods, improvement of on-farm irrigation facilities, and management and construction of improvements to existing conveyance systems.

The salinity control project to be studied in Las Vegas Wash involves the removal of a mound of highly saline groundwater which enters Las Vegas Wash a few miles before the Wash discharges into Lake Mead.

Upon completion of each report, The Secretary is to submit the report to the Colorado River Basin states and other interested parties for review and comments. After receipt of comments, the Secretary shall finalize each report and submit it to the President, concerned Federal departments and agencies, Congress, and Colorado River Basin states.

SECTION 302

It is recognized that additional research in the area of salinity control is needed and the Secretary of the Interior is directed to cooperate with the Secretary of Agriculture in carrying out this research. It is further recognized that the projects and methods identified today with respect to salinity control, are not all-inclusive, and the Secretary is directed to undertake additional research to accomplish the objectives of this Act and to cooperate with other agencies with respect to this research.

SECTION 401

This section creates a Colorado River Salinity Control Advisory Council composed of no more than three members appointed by the Governor from each of the seven Colorado River Basin states. The Council is to be advisory to the Secretary of the Interior in his work of carrying out the salinity control program. The purpose of creating the Council is to allow for participation by representatives from the Colorado River Basin states in the salinity control program. In the past, the seven states were represented by Conferees in the Colorado River Basin Enforcement Conference; however, public law 92-500 did away with the Conference Enforcement procedures. While this section does not specify the representatives to be named by each Governor, it was assumed that the Governors would appoint to the Advisory Council state water pollution control agency representatives and state water resource representatives as well as other interested parties.

SECTION 501

This section provides for allocation and repayment of costs. In the allocation of costs, recognition is given to the great Federal responsibility in the Colorado River Basin due to the Basin's interstate and international character. The Federal Government owns the majority of lands upon which most of the dissolved salts originate. Recognition is also given to the Federal Water Pollution Control Act Amendments of 1972, and the policy contained therein with respect to reducing pollution in the United States. In recognition of the above, 75% of the total costs of construction, operation, and maintenance and replacement of each unit of the salinity control projects is declared to be non-reimbursable. The remaining 25% is to be allocated to the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund. The Secretary is to analyze each of the three projects authorized in Section 201 and he is directed to consider three items in arriving at the cost allocation to each of the two basin funds, provided that the amount allocated to the Upper Colorado River Basin Fund shall not exceed 15% of the total cost allocated to the two funds for each of the projects.

The major beneficiaries of any salinity control program are water users in the three Lower Basin states and Mexico. However, it is also recognized that the major source of dissolved salts is the Upper Basin, and that salinity is a basin-wide problem. The limitation of 15% for any project is in recognition that repayment of this cost will require power rate increases to users largely located in the Upper Basin states. With respect to the Lower Basin states, repayment will come from power revenues that would be accumulated in the Lower Colorado River Basin Development Fund, in any event, through renegotiation of Hoover-Parker-Davis contracts at a later date. The 1968 Colorado River Basin Project Act provides that money from the above sources shall be available to assist in the repayment of the cost of future augmentation projects. Such augmentation projects are not identified as yet at this time, so it is to the benefit of the concerned parties to use a portion of this money to repay the costs of salinity control projects to improve the quality of the Colorado River water. Such repayment is to be without interest.

SECTION 502

Section 502 provides for repayment of the costs of the salinity control projects allocated to the Lower Colorado River Basin Development Fund. The applicable proportions of the Colorado River Basin Project Act are amended to provide for this repayment.

SECTION 503

This section provides for repayment of the costs of the salinity control projects allocated to the Upper Colorado River Basin Fund. The applicable portions of the Colorado River Storage Project Act are amended to provide for this repayment.

SECTION 504

Section 504 authorizes the Secretary to raise the rates for electrical energy under all contracts administered under the Colorado River Storage Project Act to the extent necessary to repay the costs allocated to the Upper Colorado River Basin Fund with respect to salinity control projects.

SECTION 601

This report provides for biennial reporting by the Secretary on the progress of the salinity control program, and the anticipated work to be accomplished in the future. The report may be included in the biennial report on the quality of water in the Colorado River Basin now being issued by the Secretary pursuant to Section 15 of the Colorado River Storage Project Act and other legislation. The first report is due on January 1, 1975.

SECTION 602

This section provides that nothing in this Act is to alter, amend, repeal, modify, interpret or be in conflict with the various statutory Acts, treaties, judicial precedents and Compacts that together make up the "Law of the River". The two exceptions are the language in Section 502(b) and 503(b) which amend the Colorado River Basin Project Act and the Colorado River Storage Project Act to provide for repayment out of those Funds to assist in the repayment of the costs of the salinity control projects allocated to these funds.

SECTION 603

This section gives the pertinent definitions.

SECTION 604

This section provides authorization of the necessary sums to construct, operate, and maintain the three projects authorized in Section 201 and to expedite the completion of planning reports stated in Section 301.

By Mr. RANDOLPH (for himself, Mr. BAKER, Mr. BENTSEN, and Mr. STAFFORD):

S. 1808. A bill to apportion funds for the National System of Interstate and Defense Highways and to authorize funds in accordance with title 23, United States Code, for fiscal year 1974, and for other purposes. Referred to the Committee on Public Works.

Mr. RANDOLPH. Mr. President, when the Congress failed to pass a new highway bill 7 months ago there were expressions of concern that the States would be unable to continue their roadbuilding activities while we developed new legislation.

Members of the Senate Public Works Committee were aware that the same controversial proposals that extended our conference last year must be resolved in 1973, and that this would be a difficult task. It was generally recognized that the lack of monetary authorizations, even for programs that were noncontroversial, would be a stimulus to the Congress to act with disptch. We felt, however, that the States should not be impaired in carrying out an on-going construction program while we grappled with these difficult questions.

Early in the year Senator HOWARD BAKER, Republican of Tennessee, proposed Senate Concurrent Resolution No. 6 to authorize the immediate apportionment of $1 billion in Interstate funds for fiscal year 1974. All members of the Senate Public Works Committee joined as cosponsors of this measure in an expression of our desire not to see the Interstate program grind to a halt. Senate Concurrent Resolution No. 6 was quickly approved by the Senate on March 6 but, unfortunately, has languished since then in the House of Representatives.

As we anticipated last winter, the States are in a critical situation with regard to highway funding. A significant number of them have already exhausted their ability to award contracts. By the end of this month, about two dozen States will be without any Interstate funds and a significant number of States will have no money for other categories of roads.

This situation exists because funds are normally made available to the States several months in advance of the fiscal year for which they are authorized. We are already well into the spring construction season when new roadbuilding normally is at its peak.

The conference on the Federal-Aid Highway Act of 1973 began last week. We have made good progress. The first three meetings in fact, produced agreement on more than 20 sections of the bill on which there were differences in the Senate and House versions. Under the leadership of Representative JIM WRIGHT, chairman of the conference, and Senator LLOYD BENTSEN, chairman of the Senate conferees, our meetings have provided a businesslike approach to the serious responsibilities we bear. I do not believe, however, we can reasonably anticipate the conclusion of this conference before the end of this month, at the very earli-

est. The House conferees share our awareness of the impact of the situation created by the lack of highway funds.

To alleviate the situation and to avoid the deepening crisis, I am today introducing a bill authorizing the immediate apportionment of $3 billion in interstate construction authority for fiscal year 1974 and the authorization of $500 million for the primary, secondary and urban extension highway programs, to be distributed under existing formulas.

These amounts are within the limits of funding already agreed to by the conferees and are not subject to controversy in the conference. I am joined in the introduction of this bill by Senator BAKER, the ranking minority member of the committee, and by Senator LLOYD BENTSEN and Senator ROBERT STAFFORD, the chairman and ranking minority member, respectively, of the Subcommittee on Transportation.

Yesterday and today, I had conversations with the Governor of West Virginia, the speaker of the House of the West Virginia House of Delegates and the president of the State senate. All of these gentlemen, members of different political parties, were united in their expression to me of concern about the ability of West Virginia to continue orderly highway development. This concern is echoed throughout the United States and in some instances, the money shortage is even more acute than it is in West Virginia.

This is, frankly, a stop-gap measure. We cannot afford to permit highway development—projects which have been undertaken on the basis of long-range planning—to end. The disruption would be intolerable, particularly when there is nearly unanimous agreement of the need for a viable, ongoing highway program and particularly when we know that new highway legislation is now being developed and will be passed.

This measure can be approved by the Congress this week. I urge that the Senate act as soon as possible so that we do not break faith with the people of America to whom we have promised better transportation.

By Mr. CHURCH:

S. 1809. A bill to amend the Urban Mass Transportation Act of 1964 to insure ready access to and use of mass transportation facilities by elderly and handicapped persons. Referred to the Committee on Banking, Housing and Urban Affairs.

UMTA ACCESSIBILITY STANDARDS ACT

Mr. CHURCH. Mr. President, I introduce for appropriate reference the Urban Mass Transportation Accessibility Standards Act. This act is designed to insure that mass transportation facilities are accessible for the elderly and handicapped.

In 1970, the Urban Mass Transportation Act made it national policy that the elderly and handicapped should have the same right as other persons to use mass transportation facilities and services. To implement this policy, the Secretary of Transportation was authorized to make grants and loans to assist public bodies in providing mass transportation services which would meet the special needs of the elderly and handicapped. In addition, $46.5 million was authorized for programs and activities designed to implement this policy.

Individual projects have been funded, and model prototypes are being developed. But to date, systematic implementation of the declared national policy on accessibility has not been achieved.

One of the major obstacles to a viable national policy on accessibility has been the absence of specific standards applicable to mass transit systems. The legislation which I am introducing today would help to remedy this defect.

First, my bill would direct the Secretary of Transportation to prescribe standards for mass transportation facilities and equipment in order to insure accessibility for the elderly and handicapped.

Second, the Secretary would be prohibited from approving a grant or loan application under the act unless the standards on accessibility are complied with.

Third, any waiver of the standards could be made:

Only after a public hearing;

Only if the Secretary should determine that compliance with the standards would cause undue hardship and hold back urgently needed facilities and equipment.

A public hearing on any waiver proposal would thus assure that issues receive a public airing.

The need for this legislation is long overdue, and I urge its prompt adoption.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

S. 1809

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 "Urban Mass Transportation Accessibility Standards Act of 1973".

SEC. 2. Section 16 of the Urban Mass Transportation Act of 1964 is amended—

(1) by inserting "(1)" after "(a)";

(2) by redesignating subsections (b), (c), and (d) as paragraphs (2), (3), and (4), respectively; and

(3) by adding at the end thereof a new subsection as follows:

"(b)(1) The Secretary, in consultation with the Secretary of Health, Education, and Welfare, shall, within six months after the date of enactment of this subsection, prescribe such standards with respect to mass transportation facilities and equipment as may be necessary to insure ready access to, and use of, such facilities and equipment by elderly and handicapped persons.

"(2) The Secretary shall not approve any application for assistance under this Act with respect to the design, acquisition, construction, reconstruction, or improvement of mass transportation facilities and equipment unless (A) such facilities and equipment conform to all applicable standards of accessibility prescribed under paragraph (1), or (B) the Secretary determines, after public hearings, that the application of such standards to the facilities and equipment for which assistance is requested should be waived in whole or in part in order to avoid undue hardship and to provide urgently needed facilities and equipment. Adequate notice of the date and place of, and matters to be considered at, any such hearings shall be given not less than fifteen days or more than thirty days prior to the date thereof. Findings developed at any such hearings shall be made a matter of public record.

"(3) The Secretary shall within five years of the date of issuance of standards under this subsection review those standards. The Secretary shall prepare and transmit to the Congress a report on his findings and recommendations, including a plan for updating the standards, and recommendations for additional legislative, administrative and other measures which would improve the access to and use of public transportation facilities and equipment by elderly and handicapped persons."

By Mr. CHURCH:

S. 1810. A bill to amend the Age Discrimination in Employment Act of 1967 to increase coverage under that act, and for other purposes. Referred to the Committee on Post Office and Civil Service.

AMENDMENTS TO THE AGE DISCRIMINATION IN EMPLOYMENT ACT

Mr. CHURCH. Mr. President, I introduce for appropriate reference a bill to strengthen and improve the Age Discrimination in Employment Act.

In 1967 the age discrimination law was enacted to protect older workers against job bias because of advancing years. An earlier report by the Secretary of Labor had provided compelling reasons for action. That report revealed that approximately half of all private job openings were barred to applicants over 55, and a quarter were closed to those over 45.

The Age Discrimination in Employment Act is intended to protect persons aged 40 to 64 from bias in hiring, job retention, compensation, and other conditions of employment. Coverage under this law includes:

First. Employers of 25 or more persons in an industry affecting interstate commerce;

Second. Employment agencies serving such employers; and

Third. Labor organizations with 25 or more members in an industry affecting interstate commerce.

However, job bias because of age is still a very real and serious problem today, despite the enactment of the age discrimination law. One major reason is that gaps exist in coverage.

Nearly 37 million persons in the labor force are in the 40 to 64 age category. But it is estimated that less than one-half of these workers are now covered by the provisions of the Age Discrimination in Employment Act.

For example, more than 13 million individuals employed by Federal, State, and local governments are outside the scope of the age discrimination law, including over 5½ million in the 40 to 64 age classification. Many of these older workers are now covered by age discrimination acts in 34 States. But quite frequently these statutes are more loophole than law. And these acts vary markedly concerning minimum and maximum age limits on coverage, exclusions, and exemptions, types of prohibited discriminatory practices, and enforcement sanctions.

Moreover, employers with fewer than 25 employees are not covered by existing provisions of law.

Quite clearly, the application of this act must be extended if our policy against job bias because of age is to have real meaning for millions of middle-aged and older workers. But the extension of this act must also be achieved in a manner which will not create unnecessary administrative burdens for the small businessman, who is the backbone of our economy.

The bill that I introduce today is designed to implement these two objectives by:

Extending the provisions of the Age Discrimination in Employment Act to State, local, and Federal employees;

Broadening the application of the act to include employers with 20 or more employees; and

Increasing the authorized funding level from $3 million to $5 million to provide needed personnel to enforce the law more effectively.

Seven provisions in my bill—such as making the age discrimination law applicable to State and local employees—have been endorsed by the administration.

It is high time that we remove the existing barrier which unmistakably suggests "advancing age is the end of the road for job opportunities in America."

No nation can ever hope to achieve its full potential if some of its most experienced and talented citizens are not allowed to participate.

Older workers are not asking for a handout. They simply want an opportunity to be judged on the basis of their merits. In my judgment, functional capacity—not chronological age—should determine whether a person is hired or promoted.

A few weeks ago, the Congress and the administration took an important step forward to help educate the public about the advantages of hiring mature workers. On March 15, legislation was enacted into law to authorize the President to designate the second full week in March as "National Employ the Older Worker Week." As chairman of the Senate Committee on Aging, I was especially gratified that every member of the committee joined Senator RANDOLPH—the chairman of the Subcommittee on Employment and Retirement Incomes—in sponsoring this measure.

My proposed amendments would be a further step toward the long sought goal of making one's year of birth irrelevant for employment opportunities.

Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

S. 1810

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 "Age Discrimination in Employment Amendments of 1973".

SEC. 2. (a) The first sentence of section 11 (b) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 630(b)) is amended by striking out "twenty-five" and inserting in lieu thereof "twenty".

(b)(1) The second sentence of section 11 (b) of such Act is amended to read as follows: "The term also means (1) any agent of such a person; and (2) a State or political subdivision of a State and any agency or instrumentality of a State or political subdivision of a State, but such term does not include the United States, or a corporation wholly owned by the Government of the United States.".

(2) Section 11(c) of such Act is amended by striking out "or an agency of a State or political subdivision of a State, except that such term shall include the United States Employment Service and the system of State and local employment services receiving Federal assistance".

SEC. 3. Section 16 of the Age Discrimination in Employment Act of 1967 is amended by striking "$3,00,000" and inserting in lieu thereof "$5,000,000".

SEC. 4. (a) The Age Discrimination in Employment Act of 1967 is amended by redesignating sections 15 and 16, and all references thereto, as section 16 and section 17, respectively and by adding immediately after section 14 the following new section:

"NONDISCRIMINATION ON ACCOUNT OF AGE IN FEDERAL GOVERNMENT EMPLOYMENT

"SEC. 15. (a) All personnel actions affecting employees or applicants for employment (except with regard to aliens employed outside the limits of the United States) in military departments as defined in section 102 of title 5, United States Code, in executive agencies (other than the General Accounting Office) as defined in section 105 of title 5, United States Code (including employees and applicants for employment who are paid from nonappropriated funds), in the United States Postal Service and the Postal Rate Commission, of the government of the District of Columbia having positions in the competitive service, and in those units of the legislative and judicial branches of the Federal Government having positions in the competitive service, and in the Library of Congress shall be made free from any discrimination based on age.

"(b) Except as otherwise provided in this subsection, the Civil Service Commission is authorized to enforce the provisions of subsection (a) through appropriate remedies, including reinstatement or hiring of employees with or without backpay, as will effectuate the policies of this section. The Civil Service Commission shall issue such rules, regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this section. The Civil Service Commission shall—

"(1) be responsible for the review and evaluation of the operation of all agency programs designed to carry out the policy of this section, periodically obtaining and publishing (on at least an annual basis) progress reports from each such department, agency, or unit; and

"(2) consult with and solicit the recommendations of interested individuals, groups, and organizations relating to nondiscrimination in employment on account of age.

The head of each such department, agency, or unit shall comply with such rules, regulations, orders, and instructions which shall include a provision that an employee or applicant for employment shall be notified of any final action taken or any complaint of discrimination filed by him thereunder. Reasonable exemptions to the provisions of this section may be established by the Commission but only when the Commission has established a maximum age requirement on the basis of a determination that age is a bona fide occupational qualification necessary to the performance of the duties of the position. With respect to employment in the Library of Congress, authorities granted in this subsection to the Civil Service Commission shall be exercised by the Librarian of Congress.

"(c) Any persons aggrieved may bring a civil action in any court of competent jurisdiction for such legal or equitable relief as will effectuate the purposes of this Act.

"(d) When the individual has not filed a complaint concerning age discrimination with the Commission, no civil action may be commenced by any individual under this section until the individual has given the Commission not less than thirty days' notice of an intent to file such action. Such notice shall be filed within one hundred and eighty days after the alleged unlawful practice occurred. Upon receiving a notice of intent to sue, the Commission shall promptly notify all persons named therein as prospective defendants in the action and take any appropriate action to assure the elimination of any unlawful practice.

"(e) Procedures under this section shall become effective ninety days after enactment.

"(f) Nothing contained in this section shall relieve any Government agency or official of the responsibility to assure nondiscrimination on account of age in employment as required under any provision of Federal law."

By Mr. CHURCH:

S.J. Res. 108. A joint resolution to authorize the President to call Mini-White House Conferences on Aging every 2 years. Referred to the Committee on Labor and Public Welfare.

MINI-WHITE HOUSE CONFERENCE ON AGING

Mr. CHURCH. Mr. President, I introduce for appropriate reference a joint resolution to authorize the President to call Mini-White House Conferences on Aging every 2 years.

In November 1971 an historic White House Conference on Aging was held to develop a long awaited national policy on aging. That conference provided irresistible momentum for immediate and far-reaching legislative action, including:

Enactment of a 20-percent social security increase, the largest dollar raise in the entire history of the program;

Passage of a 20-percent boost in railroad retirement annuities;

Approval of H.R. 1, now Public Law 92–603, which provided important reforms in social security and medicare;

Enactment of a new national hot meals program for older Americans; and

The highest funding level ever for the Older Americans Act.

These landmark achievements have had a dramatic impact in improving living conditions for millions of older Americans. Poverty for the elderly, for example, has been reduced by about 1.2 million since the White House Conference on Aging.

But our Nation can ill afford to become complacent. This point becomes all the more compelling when one considers that:

There are 3.1 million older Americans still living in poverty;

Nearly 11 million elderly have incomes which fall below the Bureau of Labor Statistics intermediate budgets for retired persons; and

The aged now pay more in out-of-pocket payments, on a per capita basis, for medical care than the year before medicare became law.

Moreover, we must also assure that the recommendations of the White House

Conference on Aging are not allowed to rest unnoticed in dusty corners of our national archives. The 3,400 delegates at the 1971 conference sounded a call for action; they deserve no less. They have every right to be impatient because time is not on their side.

Today I introduce legislation to establish a continuing mechanism for developing and implementing the policy recommendations of the 1971 White House Conference on Aging. To achieve this goal, my joint resolution would authorize periodic conferences on aging to be held every 2 years in effect mini-White House Conferences on Aging.

These periodic conferences would be designed primarily to focus on one particular subject at a time, such as income, health, or other timely issues. These miniconferences would also provide vital followup activity to assess the congressional and administrative responses to the policy proposals urged at the 1971 conference. Important work still remains to be done on several of their recommendations, such as further improvements in medicare legislation to establish a new National Institute on Aging and others. Additionally, these followup efforts can help to assure that the recommendations of the 1971 White House Conference will continue to lead to action, instead of just the output of words.

Moreover, these mini-White House Conferences would establish the essential framework for more intensive review and reassessment of the issues considered at the 1971 Conference. This is important because future older Americans—those who become 65 in the next 5 or 10 years—may differ in important respects from the elderly of today.

My proposal, I am pleased to say, has been endorsed in the report of the White House Conference on Aging, in the Government and Nongovernment Organization Section:

> Means should be found for a continuing "conference" on the aging to aid in the follow-up of the recommendations of the White House Conference on Aging, which also would extend beyond the announced follow-up year of 1972 and even until the next White House Conference on Aging.

Mr. President, I ask unanimous consent that the text of this joint resolution be printed at this point in the RECORD.

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

S.J. RES. 108

Joint resolution to authorize the President to call mini-White House conference on Aging every two years

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President is authorized to call four White House Issue-Oriented Subconferences on Aging for the years 1974, 1976, 1978, and 1980 for the purposes of providing information which is not now available for making key policy decisions in areas of special concern for older persons, evaluating the progress made in implementing the recommendations of the White House Conference on Aging, developing further recommendations for meeting the needs of the aging, and developing a plan of action for implementing these recommendations.

(b) In order to focus special attention on economic problems affecting older persons, the first Conference shall consider the issue of income. The agenda for each successive Conference shall be determined on the basis of the recommendations contained in the preconference report of the Advisory Committee under section 3 of this joint resolution.

(c) For the purpose of a full discussion of the issues presented at each Conference and arriving at facts and recommendations, each Conference shall bring together representatives of Federal, State, and local governments, and professional and lay people who are working in the area of special concern to older persons that is the topic of a Conference.

(d) A final report of each White House Issue-Oriented Subconference on Aging shall be submitted to the President not later than 120 days following the date on which the Conference is called and the findings and recommendations included therein shall be immediately made available to the public. The Secretary shall, within 90 days after the submission of such final report, transmit to the President and the Congress his recommendations for the administrative action and the legislation necessary to implement the recommendations contained in such report.

SEC. 2. In administering this joint resolution the Secretary shall—

(1) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate;

(2) prepare and make available background materials for the use of the Advisory Committee and delegates to each Conference as he may deem necessary;

(3) engage such additional personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and sub-chapter III of chapter 53 of such title relating to classification and general schedule pay rates.

SEC. 3. (a) The Secretary is authorized and directed to establish an Advisory Committee to the White House Issue-Oriented Subconferences on Aging composed of the Chairman and Co-Chairman of the 14 sections at the White House Conference on Aging and the Chairmen of the Special Concerns Sections.

(b) It shall be the duty of the Advisory Committee to—

(1) select the issue to be considered in detail at each of the Conferences to be held in 1976, 1978, and 1980 and submit a preconference report thereon setting forth the issue to be considered together with proposals for an agenda for the conference;

(2) advise and assist the Secretary in the planning and conduct of each of the Issue Conferences;

(3) develop plans and programs for action to implement the recommendations made at both the White House Conference on Aging and each of the White House Issue-Oriented Subconferences on Aging; and

(4) assess the progress made in implementing the recommendations made by the White House Conference on Aging.

(c) The Secretary shall designate one of the members as Chairman. Members of any committee appointed pursuant to this section who are not officers or employees of the United States, while attending conferences or meetings of their committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding $____ per day, for each day they are engaged in the performance of their duties as members of the Advisory Committee including travel time. While so engaged away from their homes or regular places of business, they may also be allowed travel expenses including per diem in lieu of subsistence, as authorized under section 5703 of title 5, United States Code for persons in the Government service employed intermittently.

(d) The Advisory Committee shall cease to exist 90 days after the submission of the final report following the 1980 Issue Conference required by the first section of this Act.

SEC. 4. For the purposes of this joint resolution—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare;

(2) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands; and

(3) the term "White House Conference on Aging" means the White House Conference on Aging which was called in November 1971.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out this joint resolution.

ADDITIONAL COSPONSORS OF BILLS

S. 667

At the request of Mr. RANDOLPH, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 667, a bill to amend the Public Health Services Act to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation.

S. 1105

At the request of Mr. PERCY, the Senator from Oklahoma (Mr. BARLETT) was added as a cosponsor of S. 1105, the Anti-Environmental Barriers bill.

S. 1144

At the request of Mr. SCHWEIKER, the Senator from Rhode Island (Mr. PASTORE) was added as a cosponsor of S. 1144, the National Catastrophic Disaster Insurance Act of 1973, a bill to establish a national program of Federal insurance against catastrophic disasters.

S. 1221

At the request of Mr. BIBLE, the Senator from South Dakota (Mr. MCGOVERN), the Senator from Maine (Mr. MUSKIE), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 1221, a bill to provide that Federal employees shall be entitled to accumulate annual leave in excess of 30 days, or receive payment therefor, for periods such employees have been in a missing status while serving in Southeast Asia during the Vietnam era.

S. 1395

At the request of Mr. RANDOLPH, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of S. 1395, a bill to encourage and support the dissemination of news, opinion, scientific, cultural, and educational matter through the mails.

S. 1418

At the request of Mr. HATFIELD the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 1418, a bill to commemorate the 100th anniversary of the birth of Herbert Hoover by providing grants to the Hoover Institution on War, Revolution and Peace.

S. 1548

At the request of Mr. Pell the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Hawaii (Mr. INOUYE),

the Senator from South Dakota (Mr. McGOVERN), the Senator from California (Mr. TUNNEY), and the Senator from Maine (Mr. MUSKIE) were added as cosponsors of S. 1548, a bill to establish a commission to review the proposed closing of any military installation.

S. 1579

At the request of Mr. DOLE, the Senator from Colorado (Mr. DOMINICK) and the Senator from Ohio (Mr. TAFT) were added as cosponsors of 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.

S. 1580

At the request of Mr. PEARSON, the Senator from North Dakota (Mr. YOUNG), and the Senator from Montana (Mr. METCALF), were added as cosponsors of S. 1580, the Amateur Athletic Act.

S. 1709

At the request of Mr. TUNNEY, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of S. 1709, a bill relating to the reduction of civilian personnel at military installations in the United States and the closing of military installations in the United States.

S. 1722

At the request of Mr. HARTKE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1722, a bill to provide tutorial assistance to homebound handicapped students.

SENATE CONCURRENT RESOLUTION 24—SUBMISSION OF A CONCURRENT RESOLUTION TO ENDORSE THE REMOTE SENSING SYMPOSIUM

(Referred to the Committee on Aeronautical and Space Sciences.)

Mr. ABOUREZK. Mr. President, I submit for appropriate reference a concurrent resolution to express support of Congress on participation in the Symposium on Management and Utilization of Remote Financing Data, to be held at Sioux Falls in October and November.

The concurrent resolution reads as follows:

S. CON. RES. 24

Whereas remote sensing systems are now providing usable data from space for applications in agriculture, weather, the environment and a multitude of other areas; and

Whereas the importance of remote sensing has continued to increase in international cooperation; and

Whereas the American Institute of Aeronautics and Astronautics, the American Institute of Electrical and Electronic Engineers, and the American Geological Institute as sponsors of the Symposium are desirous of providing a basis for vital dialog in further applications of remote sensing; and

Whereas Congress is fully appreciative of assuring this international symposium is conducted in a manner which will continue to assure a leadership role in the peaceful application of space and space endeavors; and

Whereas the Congress is interested in (1) promoting international understanding and good will; (2) enhancing the excellence of American Science; and (3) furthering international cooperation in science and technology by creating the necessary climate for effective interchange of ideas: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that we endorse the Symposium to be held in Sioux Falls, South Dakota in October and November of 1973 under the sponsorship of the American Institute of Aeronautics and Astronautics, the American Institute of Electrical and Electronic Engineers, and the American Geological Institute as an extremely useful and highly productive endeavor which deserves and can expect full participation of each interested governmental agency.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 87

At the request of Mr. BARTLETT, the Senator from New York (Mr. JAVITS) was added as a cosponsor of S. Res. 87, requesting the President to begin a national car-pooling program.

ORDER FOR STAR PRINT OF AMENDMENT NO. 114

Mr. HUGHES. Mr. President, a typographical error was made in the printing of my amendment No. 114, intended to be proposed to S. 1263. I ask unanimous consent that a star print of the amendment be made to correct this error by inserting, on page 2, line 9, between the words "States" and "that" the following words: "unless the maximum number of active duty personnel of the Armed Forces of the United States".

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

SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1973—AMENDMENT

AMENDMENT NO. 126

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

Mr. BROOKE. Mr. President, I send to the desk an amendment and ask that it be printed and lie on the table.

The ACTING PRESIDENT pro tempore. The amendment will be received and will lie on the table.

Mr. BROOKE. Mr. President, the House of Representatives, by amending the second supplemental appropriations bill—H.R. 7447—to preclude the use of any funds appropriated under that act to underwrite the costs of U.S. military activities in Cambodia, has emphasized the growing concern in Congress over the continued involvement of U.S. Armed Forces in Indochina.

I have recently returned from an investigation of the situation in Indochina. As the Senate knows, my concern over the continued U.S. bombing there antedates my visit. Nevertheless, my doubts as to the wisdom and the legality of such bombing were certainly increased by my experiences in Cambodia. The use of B–52's in the present mode in Cambodia has been militarily ineffective as far as I can discern. These strategic weapons are blunt instruments of war, unsuited for effective use in the quasi-guerrilla war situation now extant in Cambodia and to a certain degree in Laos. B–52's are useful only against large concentrations of troops, against large supply caches and against massive industrial or population concentrations. None of these exist in either Cambodia or Laos.

Some have argued that the United States is using the B–52 raids in Cambodia as a signal to Hanoi that unless it lives up to the spirit and letter of the January agreement, the United States may resume the bombing of North Vietnam. From this point of view the bombing in Cambodia and on several occasions in Laos has been a deterrent signal to North Vietnam. While some may justify this point of view as a judicious expedient, I believe it is both legally and morally unjustifiable to inflict suffering on one country in order to attempt to deter another. I sincerely hope that this is not the administration's rationale for the continued bombing.

Fundamentally important is the fact that there exists no legal basis for the continued involvement of U.S. armed forces in Cambodia or Laos. Congress has not declared war. The United States has no legal commitment to defend either Cambodia or Laos. U.S. personnel, military or otherwise, are not endangered except at U.S. discretion. Administration arguments that the "right" to enforce the terms of the January agreements provides the legal justification for continued bombing is singularly unconvincing. Nor have other arguments advanced by administration spokesmen been less so.

In light of the above, I can only comment and support the recent action by the House. It has provided a clear signal to the administration that both Houses of Congress are now intent on reclaiming congressional prerogatives in the war-making area. It is fundamentally crucial that Congress make this "signal" unequivocal. Therefore, it is important to expand the scope of the House prohibition on the use of funds appropriated under H.R. 7447 so that said prohibition will apply not only to activities of U.S. Armed Forces in Cambodia but to similar activities in Laos as well. By including Laos in the prohibition, a much more unambiguous signal will be given the administration that Congress will insist that the decision on whether or not to engage in further military activities in Indochina be made in accordance with basic constitutional principles.

Mr. President, the relevant provision of H.R. 7447 as passed by the House, that I have referred to here, will read as follows if the amendment I propose here is accepted:

None of the funds herein appropriated to the Department of Defense under this Act shall be expended to support directly or indirectly combat activities in, over or from off the shore of Cambodia and Laos by United States Forces.

The only change will be the addition of the phrase "and Laos."

Finally, while action taken by the House and the amendment language I propose here can serve as a signal of congressional intent, it must be recognized that legally these actions are only appli-

cable to the specific funds appropriated under H.R. 7447. Hence, there still exists a need for Congress to enact comprehensive legislation that would require prior congressional scrutiny and approval of any expenditure of funds to finance activities of U.S. Armed Forces in Indochina.

S. 578, commonly termed the Church-Case bill, is designed to accomplish this objective. It is my understanding that Senator CHURCH and Senator CASE intend to introduce an amended version of S. 578 sometime this week. I intend to work for the passage of this bill at the earliest possible date. The decision of whether or not to engage in combat activities in Indochina must be shared by Congress and the Executive.

AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE—AMENDMENT

AMENDMENT NO. 127

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

AMERICAN INVOLVEMENT IN INDOCHINA

Mr. CASE. Mr. President, with the cosponsorship of 38 other Senators, Senator CHURCH and I are today reintroducing our proposal to cut off all funds for the continued involvement of U.S. military forces in hostilities anywhere in Indochina, without prior congressional authorization.

We are also adding to our legislation a section stating that there shall be no aid furnished to North Vietnam without prior congressional authorization.

We originally introduced the Case-Church bill (S. 578) in January to prevent American reentry into the war at the end of the 60-day withdrawal period. Our new version reflects both the situation in Indochina at the end of that period and the clearly expressed will of the Senate that the executive branch shall not start any aid programs to North Vietnam without first receiving congressional permission.

Senator CHURCH and I are now offering our proposal as an amendment to the State Department authorization bill (S. 1248) which the Foreign Relations Committee is planning to report to the Senate later this week. We believe that the committee on which both of us serve will favorably consider our amendment.

Senator CHURCH and I also support the House action on the Addabbo amendment to block any attempt to provide funds for the continued bombing of Cambodia through the so-called "transfer authority" requested by the Defense Department in the Second Supplemental Appropriations Act. While deletion of this transfer authority would not stop the bombing, it would put the Congress clearly on the record as being opposed to any Defense Department funds being used for that purpose.

Now that American troops have been withdrawn from Vietnam and now that the Tonkin Gulf resolution has been repealed, any involvement of American forces in Indochina would constitute a new war—something that should not be undertaken except by the considered and prior decision of the Congress. Only the Congress—not the President, not the military, nor anyone else—has the constitutional power to declare war.

The President's power as Commander in Chief does not embrace the right to decide on his own to engage in war in support of a foreign government. The President is not free to make war at any time or at any place he pleases.

The purpose of the Case-Church amendment is simply to assure that Congress will henceforth be able to exercise its constitutional responsibility and decide whether or not the United States should continue to fight in Indochina.

Under present circumstances, I would oppose authorizing a continuation or a renewal of American military involvement anywhere in Indochina. That is not involved in the Case-Church amendment, however. What Case-Church does is to say that without congressional approval, U.S. military involvement shall not be continued.

Congress should reassert, by passing Case-Church, the principle that only Congress can declare war and that unless and until we do so, the executive branch has no authority to bomb in Cambodia or intervene militarily anywhere in Indochina.

Mr. CHURCH. Mr. President, the cold reality of the current involvement of U.S. military forces in hostilities in and over the countries of Indochina is that there is no authority, either in law or under the Constitution, for such conduct. In the name of the United States, our Armed Forces are conducting acts of war on Cambodia only, it appears, because it is there. Such unauthorized activities are anathema to our system of government; the juridical void endangers our freedom under law, the basic source of our national well being.

In a major bipartisan effort, Senator CASE and I, joined by 38 of our Senate colleagues, are sponsoring today legislation to preserve our system, a bill to insure that the Congress specifically concurs before American military forces may be reinvolved in the continuing hostilities in Indochina.

The Case-Church proposal calls for the reinstatement of the regular constitutional procedure: American involvement in a foreign war must be accompanied by express congressional consent. Without it, the purse strings are held shut. James Madison, our Nation's greatest champion of separate but shared powers, the bedrock principle of our Constitution, noted that the power of the purse "may be regarded as the most complete and effectual weapon with which any Constitution can arm the immediate representatives of the people." Through this constitutional principle, Congress can fill the void now so apparent.

The language of the Case-Church reads as follows:

> Notwithstanding any other provision of law, upon enactment of this act, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress.
>
> Notwithstanding any other provision of law, upon enactment of this act, no funds heretofore or hereafter appropriated may be obligated or expended for the purpose of providing assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress.

This is the same legislative principle followed in the two Cooper-Church amendments which are now law. The Cooper-Church amendment relating to Cambodia passed both Houses of Congress on December 29, 1970, and was signed into law shortly thereafter as part of the supplemental foreign assistance authorization bill. It reads as follows:

> In line with the expressed intention of the President of the United States, none of the funds authorized or appropriated pursuant to this or any other Act may be used to finance the introduction of United States ground combat troops into Cambodia, or to provide United States advisers to or for Cambodia military forces in Cambodia.

The Cooper-Church amendment dealing with Laos and Thailand is a part of the defense appropriation bill. It first passed in 1969 and has been renewed ever since. It states:

> In line with the expressed intention of the President of the United States, none of the funds appropriated by this section shall be used to finance the introduction of American ground combat troops into Laos or Thailand.

Through the original approval and subsequent reenactment of these provisions of law, Congress has repeatedly sought to prevent the United States from becoming entangled in a wider war in Indochina. These statutory restrictions on the use of American ground combat troops in Cambodia, Laos, and Thailand have been observed out of necessity, since no money was made available to finance the entry of U.S. forces into ground combat outside of South Vietnam.

At the same time, Congress refrained from closing the purse strings on American military operations in Vietnam, while American troops remained in South Vietnam and American prisoners of war were still held by the North.

That condition has ended now. U.S. forces have been withdrawn from South Vietnam, and the American prisoners of war have been released and returned to their country. Yet, the American Air Force, operating from bases in Thailand and Guam, still engages in hostilities above Laos and Cambodia. Indeed, our Air Force has become an arm of the Lon Nol government, beseiged in Phnom Penh.

This country has no commitment to Cambodia—by treaty or statute—to provide for the defense of its government. Congress has taken special pains to avoid such a commitment. In section 7(b) of the Special Foreign Assistance Act of 1971 and section 655(g) of the Foreign Assistance Act of 1961, the laws of the United States specifically provide that the United States has no commitment to defend Cambodia, the Government of Cambodia, or Cambodian personnel. The bombing of Cambodia in Indochina is an act of war, in open defiance of clause 11, section 8, article I of the Constitution which provides that only the Congress shall have the power "to declare war."

Moreover, neither the territory of the United States nor its vital national interests are endangered by any nation in Indochina. Air Force Chief of Staff Ryan, when asked by Members of the House of Representatives at a May 8 committee hearing if he thought Cambodia was strategically important to the United States, replied a clear-cut "No."

The heart of Case-Church, then, is to insure that Congress be effectively engaged in any future warmaking decision concerning Cambodia, Laos, South Vietnam, and North Vietnam. We hope to attach our proposal to the State Department authorization bill now pending before the Committee on Foreign Relations. If the Pentagon's request for authority to transfer funds under the aegis of the second supplemental appropriations bill, which Defense officials acknowledge will be used to pay for our present military involvement in Cambodia, comes before the Senate, then Senator CASE and I plan to offer the following amendment:

None of the funds made available by this Act shall be used to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

The American people did not vote last November—or ever—for the unrestrained use of Executive power. They voted for the American form of government, of checks and balances, something we need more than ever if the "system is to work" at home. During the steel seizure case of 1952, Justice Jackson wrote words more relevant today than then. He said:

What is at stake is the equilibrium of our constitutional system.

Mr. President, I ask unanimous consent that the text of the amendment with the names of the 40 cosponsors may be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed, and will be referred to the Committee on Foreign Relations; and, without objection, the amendment will be printed in the RECORD.

The amendment together with cosponsors is as follows:

AMENDMENT No. 127

On page 3, line 12, insert the following:

"Requirement for Congressional authorization for the involvement of American Forces in further hostilities in Indochina, and for extending assistance to North Vietnam.

"SEC. 106. Notwithstanding any other provision of law, upon enactment of this act, no funds heretofore or hereafter appropriated may be obligated or expended to finance the involvement of United States military forces in hostilities in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia, unless specifically authorized hereafter by the Congress. Notwithstanding any other provision of law, upon enactment of this act, no funds heretofore or hereafter appropriated may be obligated or expended for the purpose of providing assistance of any kind, directly or indirectly, to or on behalf of North Vietnam, unless specifically authorized hereafter by the Congress."

COSPONSORS TO AMENDMENT

Mr. Case and Mr. Church, for themselves and Mr. Abourezk, Mr. Bayh, Mr. Biden, Mr. Brooke, Mr. Burdick, Mr. Clark, Mr. Cranston, Mr. Eagleton, Mr. Gravel, Mr. Hart, Mr. Hartke, Mr. Haskell, Mr. Hatfield, Mr. Hathaway, Mr. Huddleston, Mr. Hughes, Mr. Humphrey, Mr. Inouye, Mr. Javits, Mr. Kennedy, Mr. Mathias, Mr. McGovern, Mr. McIntyre, Mr. Metcalf, Mr. Mondale, Mr. Moss, Mr. Muskie, Mr. Nelson, Mr. Pell, Mr. Percy, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Schweiker, Mr. Stevenson, Mr. Tunney, Mr. Weicker, and Mr. Williams.

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT, 1947—AMENDMENT

AMENDMENT NO. 128

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

Mr. FANNIN (for himself and Mr. TOWER) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1423) to amend the Labor Management Relations Act, 1947, to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal services.

AMENDMENT OF SECTION 9 OF THE RIVER AND HARBOR ACT OF 1899—AMENDMENT

AMENDMENT NO. 129

(Ordered to be printed, and referred to the Committee on Public Works.)

Mr. HARTKE submitted an amendment, intended to be proposed by him, to the bill (S. 274) to amend section 9 of the River and Harbor Act of 1899 in order to define the term "causeway."

AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

AMENDMENT NO. 130

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

INCREASE THE MEDICARE LIFETIME RESERVE FROM 60 TO 120 DAYS

Mr. CHURCH. Mr. President, I submit for appropriate reference an amendment to H.R. 3153.

Briefly stated, my amendment has two principal provisions.

First, it would increase the medicare lifetime reserve from 60 to 120 days.

Second, it would reduce the daily coinsurance rate from $36 to $18 for Medicare patients who must draw upon their lifetime reserve.

Medicare pays for up to 90 days of hospitalization during each benefit period. As things now stand, the elderly patient pays the first $72 of this hospitalization and nothing thereafter until the 61st day. This deductible amount reflects the average cost of one day's hospital care, and it is adjusted annually. From the 61st through the 90th day, he must pay a daily coinsurance charge of $18, one-fourth of the part A deductible.

However, there is a 60-day lifetime reserve for older Americans who require more than 90 days of hospital care during a benefit period. In such cases the aged must pay $36 a day.

These provisions undoubtedly provide valuable protection for older Americans. But further improvements are still needed in my judgment, to guard against the ruinous cost of an illness requiring prolonged institutional care.

Quite clearly, the elderly and their families deserve better protection against these potentially catastrophic expenditures, which can in a matter of weeks or months deplete a lifetime of savings, hard work, and diligence.

As of 1972 more than 130,000 older Americans had found it necessary to draw upon their lifetime reserve after exhausting the 90 days of covered care regularly available during a benefit period. Of this total, 25,000—or 19 percent—had exhausted their lifetime reserve.

We must also be mindful of this harsh fact of life: These individuals may have incurred several thousand dollars in hospital bills, much of which was paid from their own resources. Quite clearly, the threat of bankruptcy by hospitalization is still all too real for older Americans suffering from lingering terminal illnesses or faced with prolonged periods of institutionalization.

However, my amendment would provide a constructive means for grappling with this serious problem. It would increase from 150 to 210 days the covered hospitalization under medicare for an elderly patient during a particular benefit period. Moreover, by cutting the patient's daily coinsurance payment in half—from $36 to $18—this could produce a savings of $1,080 for an older American who must utilize his lifetime reserve for 60 days.

My amendment, I am pleased to say, was enthusiastically endorsed by the prestigious 1971 Social Security Advisory Council.

This proposal was later adopted in modified form as an amendment to H.R. 1—the 1972 Social Security Amendments—by the House of Representatives. But it was later deleted in conference committee.

Many Americans today still believe that medicare pays for almost all of the elderly's hospital and medical bills. But the elderly know better.

In fact, medicare covers only about 42 percent of their health care expenditures. Gaps still exist in coverage, and they must be closed.

For these reasons, I urge early approval of my amendment to H.R. 3153.

Mr. President, I ask unanimous consent that the text of this amendment be printed at this point in the RECORD.

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

AMENDMENT No. 130

On page 9, beginning with line 6, strike out through the end of the bill and insert the following new sections:

SEC. 5. (a) Section 1812 of the Social Security Act is amended—

(1) by striking out "150" in subsection (a)(1) and inserting in lieu thereof "210";

(2) by striking out "150" in subsection (b)(1) and inserting in lieu thereof "210"; and

(3) by striking out "150-day" in subsection (c) and inserting in lieu thereof "210-day".

(b) The last sentence of section 1813(a)(1) of the Social Security Act is amended to read as follows: "Such amount shall be further reduced by a coinsurance amount equal to one-fourth of the inpatient hospital deductible for each day (before the day following the last day for which such individual is entitled under section 812(a)(1) to have payment made on his behalf for inpa-

tient hospital services during such spell of illness) on which such individual is furnished such services during such spell of illness except that the reduction under this sentence for any day shall not exceed the charges imposed for that day with respect to such individual for such services (and for this purpose, if the customary charges for such services are greater than the charges so imposed, such customary charges shall be considered to be the charges so imposed)."

(c)(1) Section 209(a)(8) of the Social Security Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,200".

(2) Section 211(b)(1)(H) of such Act is amended by striking out "$12,000," and inserting in lieu thereof "$12,300,".

(3) Section 213(a)(2)(ii) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,300".

(4) Section 213(a)(2)(iii) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,300".

(5) Section 215(e)(1) of such Act is amended by striking out "$12,000" and inserting in lieu thereof "$12,300".

(d)(1) Section 1402(b)(1)(H)(i) of the Internal Revenue Code of 1954 (relating to definition of self-employment income) is amended by striking out $"12,000," and inserting in lieu thereof "$12,300,".

(2)(A) Section 3121(a)(1) of such Code (relating to definition of wages) is amended by striking out "$12,000" each place it appears and inserting in lieu thereof "$12,300".

(B) Effective with respect to remuneration paid after 1974, section 3121(a)(1) of such Code is amended—

(i) by striking out "$12,300" each place it appears and inserting in lieu thereof "the contribution and benefit base (as determined under section 230 of the Social Security Act)", and

(ii) by striking out "by an employer during any calendar year", and inserting in lieu thereof "by an employer during the calendar year with respect to which such contribution and benefit base is effective".

(3)(A) The second sentence of section 3122 of such Code (relating to Federal service) is amended by striking out "$12,000" and inserting in lieu thereof "$12,300".

(B) Effective with respect to remuneration paid after 1974, the second sentence of section 3122 of such Code is amended by striking out "the $12,300 limitation" and inserting in lieu thereof "the contribution and benefit base limitation".

(4)(A) Section 3125 of such Code (relating to returns in the case of governmental employees in Guam, American Samoa, and the District of Columbia) is amended by striking out "$12,000" wherever it appears in subsection (a), (b), and (c) and inserting in lieu thereof "$12,300".

(B) Effective with respect to remuneration paid after 1974, section 3125 of such Code is amended by striking out "the $12,300 limitation" wherever it appears in subsections (a), (b), and (c) and inserting in lieu thereof "the contribution and benefit base limitation".

(5) Section 6413 of such Code (relating to special refunds of employment taxes) is amended by striking out "$12,000" wherever it appears in such section and inserting in lieu thereof "$12,300".

(6)(A) Section 6654(d)(2)(B)(ii) of such Code (relating to failure by an individual to pay estimated income tax) is amended by striking out "$12,000" and inserting in lieu thereof "$12,300".

(B) Effective with respect to taxable years beginning after 1974, section 6654(d)(2)(B)(ii) of such Code is amended by striking out "the excess of $12,300 over the amount" and inserting in lieu thereof "the excess of (I) an amount equal to the contribution and benefit base (as determined under section 230 of the Social Security Act) which is effective for the calendar year in which the taxable year begins, over (II) the amount".

(d) Paragraphs (2)(C), (3)(C), (4)(C), and (7)(C) of section 203(b) of the Act of July 1, 1972, Public Law 92-336, are repealed.

SEC. 6. The amendments made by the first four sections of this Act shall become effective January 1, 1974; except that such amendments (other than the amendment made by section 2(1)(B)) shall not be applicable in the case of Puerto Rico, Guam, and the Virgin Islands. The amendments made by section 5 of this Act shall become effective upon the date of enactment of this Act.

HEALTH MAINTENANCE ORGANIZATION AND RESOURCES DEVELOPMENT ACT OF 1973—AMENDMENT

AMENDMENT NO. 131

(Ordered to be printed.)

Mr. KENNEDY proposed an amendment, in the nature of a substitute, to the bill (S. 14) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes.

ADDITIONAL COSPONSORS OF AN AMENDMENT

AMENDMENT NO. 98

At the request of Mr. EAGLETON, the Senator from Maine (Mr. MUSKIE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Montana (Mr. METCALF), the Senator from Iowa (Mr. HUGHES and Mr. CLARK), and the Senators from South Dakota (Mr. McGOVERN and Mr. ABOUREZK) were added as cosponsors of amendment No. 98, intended to be proposed to the bill (S. 1248), the State Department authorization bill.

ANNOUNCEMENT OF HEARINGS ON GOVERNMENT SECRECY PRACTICES

Mr. MUSKIE. Mr. President, Mr. Daniel Ellsberg will testify on Government secrecy practices before a hearing of the Relations of the Committee on Government Operations, with the participation of the Subcommittee on Administrative Practices and Procedure of the Committee on the Judiciary, at 10 a.m. Wednesday, May 16, 1973, in room 3302, Dirksen Senate Office Building.

ANNOUNCEMENT OF OPEN HEARING RE NOMINATION OF JAMES T. CLARKE TO BE ASSISTANT SECRETARY OF THE INTERIOR

Mr. JACKSON. Mr. President, I wish to announce for the information of the Members of the Senate and other interested persons that the Committee on Interior and Insular Affairs has scheduled open public hearings for Wednesday, May 16, 1973, at 2 p.m., to take testimony on the nomination by President Nixon of James T. Clarke of Michigan to be Assistant Secretary of the Interior. The hearing will be held in the committee room, 3110 Dirksen Senate Office Building.

Persons wishing to testify or submit statements for the hearing record on this nomination should so advise the staff of the Interior Committee.

Mr. President, I ask unanimous consent that the biographical sketch of Mr. Clarke be printed in the RECORD at this point in my remarks.

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

BIOGRAPHY OF JAMES T. CLARKE

James T. Clarke, 35, of Detroit, has been nominated by the President for the position of Assistant Secretary of Interior for Management. His duties will include the management and administrative activities of the Department.

Mr. Clarke is currently a partner in Coopers & Lybrand (formerly Lybrand, Ross Bros. & Montgomery), one of the largest international accounting and consulting firms. A certified public accountant, he is in charge of the firm's consulting practice in Detroit and coordinates its consulting services to government throughout the Midwest. He joined the firm in 1961 and now specializes in assignments concerning financial analysis, organizational planning and budgeting, accounting and EDP systems.

He was born in Petoskey, Michigan, and received a B.A. degree with honors in economics from the College of Wooster, in Ohio, and an M.B.A. degree in finance from the University of Michigan. From 1962 to 1965 he was a supply officer in the Navy; he was honorably discharged as a lieutenant.

Mr. Clarke is a member of the American Institute of CPA's and the Michigan Association of CPA's, for which he is Chairman of the Management Advisory Services Committee. He is also a member of the Federal Government Accountants Association and has held a number of positions in the Junior Chamber of Commerce.

He is married to the former Patricia Kemp of Detroit. They have a son, Timothy, 2.

NOTICE OF HEARING ON A NOMINATION

Mr. PASTORE. Mr. President, the Senate section of the Joint Committee on Atomic Energy will hold a public hearing on Thursday, May 17, 1973, at 4 p.m., in room S407, U.S. Capitol on the nomination of Mr. William E. Kriegsman to be a member of the Atomic Energy Commission.

Mr. Kriegsman has been nominated to fill the remainder of the term of James R. Schlesinger which expires on June 30, 1975.

I ask unanimous consent to have printed in the RECORD the biography of Mr. Kriegsman which was provided to the Joint Committee with the submission of his nomination to the Atomic Energy Commission by the President on April 13, 1973.

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

WILLIAM EDWIN KRIEGSMAN

Date of Birth: February 22, 1932.

Place of Birth: New York, New York.

Home Address: 5615 Ridgefield Road, Bethesda, Maryland.

Family Status: Married to the former Kay Harris of Grand Junction, Colorado: 2 children.

Education: Graduate, Scarsdale (N.Y.) High School; Bachelor Arts in Chemistry, University of Rochester, 1953; Masters Degree in Engineering Administration, The George Washington University, 1964.

Experience: Manager, Washington Office, Arthur D. Little, Inc. Responsible for the

management of the Washington office including business development and professional case work. Conducted studies and made recommendations which resulted in a complete reorganization of the regulatory and operational functions of the U.S. Atomic Energy Commission. Participated in a number of studies of the economic impact of U.S. industries of pollution abatement laws. Conducted several studies related to the President's "New Technology Opportunities Program" for the Secretary of Commerce, NSF, and the Patent Office. Recently recommended a major revision of AEC's environmental impact statement process to reduce the process time, improve quality of the product, and permit greater public participation.

1969–1971: Staff Assistant to President Nixon responsible for the development of programs and policies in the environmental, space, nuclear energy and oceanography areas.

1962–1969: Inspection Specialist with Atomic Energy Commission directing and conducting studies of AEC management problems.

1965–1966: Congressional Fellow on the staff of Senator Howard H. Baker, Jr., and Rep. Donald Rumsfeld.

1957–1962: Supervisory Health Physicist with Atomic Energy Commission in the regulatory program.

1953–1957: U.S. Naval Officer with duties including supervisor of the nuclear weapons assembly team on board an aircraft carrier.

NOTICE OF HEARINGS ON S. 1134

Mr. METCALF. Mr. President, on April 2, I announced that the Subcommittee on Minerals, Materials and Fuels of the Senate Committee on Interior and Insular Affairs had scheduled hearings on S. 1134, the Deep Seabed Hard Mineral Resources Act. I remind my colleagues that the first of these hearings is May 17.

On that day, we will hear representatives of the mining industry. They will testify for their bill and answer our questions about it. At subsequent meetings we will hear from representatives of the U.S. Government and other parties interested in this subject.

On June 14, we will hear from representatives of the executive department. They will give us a status report on negotiations in the United Nations which hopefully will lead to international agreement on the conservation and orderly development of the hard mineral resources of the deep seabed. At the request of administration witnesses, this date was changed from June 5 as originally announced.

On June 18 and 19, spokesmen for environmental and international groups will each have 1 day before us.

In this connection, I call the attention of my colleagues to a recent article in the Washington Post which describes the positions taken by various groups on the hard mineral resources of the deep seabed.

Mr. President, I ask unanimous consent that the Washington Post article of May 6, 1973, be printed at this point in the RECORD.

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

BATTLE STIRS OVER SEABED MINES BILL

(By George C. Wilson)

Land-grab legislation that even its Senate sponsor regards as preposterous has put the State Department at battle stations.

And as far as former Secretary of State Dean Rusk and others are concerned, there are solid reasons for the alarm—including the risk of touching off the kind of international race for land that inflamed the world for the past three centuries.

This time, however, the land up for grabs is not in the New World but under the sea. It is unclaimed and represents two-thirds of the earth's surface. The bill at issue signals that the race for it is already on.

The American Mining Congress—comprised of companies that produce most of the nation's metals and minerals—wrote every line of the bill, according to Sen. Lee Metcalf (D.-Mont.), who introduced it in the Senate.

"I put it in only to give them their day in court," he told The Post, adding that even the mining magnates of the 1870s would not have dared to ask for so much land.

A mining company under the industry's bill would pay the Secretary of Interior $5,000 for the right to lay claim to 40,000 square kilometers of the ocean bottom for exploration. That is an area 19,300 square miles—or almost as big as the state of West Virginia (24,034 square miles). And the company could apply for more than one of these parcels, called blocks, to look for riches and then actually mine a smaller portion.

"Look," Metcalf exclaimed, "I'm not wedded to a single word in that bill." Besides giving the American Mining Congress a chance to present its proposal, he said, the bill should prod the State Department to speed up negotiations for international control of seabed mining.

"The State Department just sits around on this thing," complained Metcalf. "I introduced this bill as an ironical expression of what could happen if they don't get moving."

HEARING MAY 17

The Senate will explore the whole issue in Interior Committee hearings beginning May 17, he said, but that does not mean the bill is going anywhere.

In the House, the American Mining Congress's champion is more enthusiastic than Metcalf about the controversial bill.

"I am 100 percent behind the thrust of the bill," said Rep. Thomas N. Downing (D-Va), its sponsor and chairman of the House Oceanographic Subcommittee. He said he intends to push it out of committee and onto the House floor if his own on-the-spot assessment of United Nations negotiations in Geneva this August persuade him the agreement to update the laws of the sea is far off.

Downing said the bill he introduced came to him from an ocean mining company in his Congressional district, Deepsea Ventures of Gloucester Point, Va., that firm is a subsidiary of Tenneco of Houston.

"If we pass this bill," Downing asserted, "other advanced countries will do the same thing" and an international authority for regulating the mining will evolve on its own. He added that the bill earmarks some of the profits from ocean mining to underdeveloped countries.

He agreed, however, that such a consortium of the "have" nations would not be as good as a formal international agency established under the current United Nations Law of the Sea Conference.

"But those minerals are lying on the bottom and we need them," Downing said in explaining his impatience.

The minerals so glittering to the mining companies and their supporters are golf-ball-to-grapefruit sized rocks lying on the ocean bottom under 10,000 feet or more of water—usually at least 200 miles from the nearest coast line.

The British discovered these rocks when its deep sea research ship, HMS Challenger, dredged the Atlantic depths in 1872—just a little over 100 years ago. The rocks are rich in metals and are called manganese nodules.

MIGRATING METALS

They are formed as ions of manganese iron, cobalt, nickel and copper and show kind of a homing instinct as they migrate to the deepest part of the ocean where only a few crabs inhabit the black depths.

The ions coat rocks, sharks' teeth, whale earbones—anything solid—a bit at a time as they settle on the ocean floor. "Those nodules comprise the largest mineral deposit on this planet," according to Bruce C. Heczen and Charles D. Hollister, oceanographers who wrote "The Face of the Deep."

"The growth of nodules is one of the slowest chemical reactions in nature," they wrote, "yet these mineral gardens of the abyss are vast. And despite their exceedingly slow rate of accumulation, they appear to be growing faster than we could ever expect to mine them."

Thus, the world seems to have at least one garden of riches growing faster than man can pick it. The ore-rich rocks lie in the relatively lifeless part of the ocean—meaning that their removal would disturb few creatures.

The question since their discovery has been how to get the nodules out of the depths in big enough quantities to justify processing. Several American firms believe they now have the answer.

Deepsea Ventures, for example has opted for vacuuming up the rocks with a long hose. Hughes Tool Co. and Kennecott Copper are two other American firms who have developed mining methods for this lode on the ocean bottom. Japan and Germany have embarked on modest ocean mining programs.

The State Department, in estimating that American firms have already invested $90 million in ocean mining technology, sees a real payoff for the United States in scooping up these nodules.

The nation spent $600 million in 1970 to import manganese, cobalt, nickel and copper, according to the Interior Department. With seabed mining, the whole import picture could be turned around—improving the U.S. balance of exports vs. imports.

Leigh S. Ratiner, director of the Interior Department's ocean resources office and one of the members of the government's seabed task force, told the House Oceanographic Subcommittee that seabed mining would yield all the manganese the U.S. could use and then some. (About 86 per cent of our supply is imported now.)

NICKEL MOST VALUABLE

Most important from a dollar standpoint, since nickel imports accounted for about $426 million of that $600 million in imports, the United States by 1975 through sea mining could produce about half the nickel it uses. We import virtually all we use now.

The American Mining Congress argues that it is time to go ahead and get these metals lying in such abundance on the floor of the Pacific Ocean.

"If uncertainties continue because of our exclusive reliance on the United Nations, exploitation will be inhibited. It is essential in our national interest to proceed expeditiously," said C. H. Burgess, Kennecott vice president for exploration, speaking for the American Mining Congress.

"We now have the technology where we are ready to go out and give it a try. We are afraid that the fragile lead that we hold in this area is going to be eroded quite rapidly if we do not go out and try it," said T. S. Ary, Union Carbide vice president, representing the mining congress.

Critics contend that such industry statements fail to consider the diplomatic dynamite of a first-come, first-served approach to staking out the ocean bottoms.

Former Secretary of State Rusk, appearing before a House Foreign Affairs subcommittee in March, said there is hardly any more crucial item on the world's agenda than nations peaceably updating the laws of the sea.

Unless this is done, Rusk said, "we may see a national race for the control of open oceans and seabeds, comparable to the race for the control of land areas of the past three centuries. The dangers and costs of such a race are difficult to imagine. It would be sheer insanity for mankind to go down that fork of the road."

In that context, he warned against freezing underdeveloped nations out of exploiting the sea beds. "The developing countries have taken a strong view that they are entitled to a reasonable share in the returns from this common heritage of mankind," Rusk said, "and that such resources should not become a monopoly of those with the advanced technology for exploitation."

WORLD PACT NEEDED

Charles N. Brower, State's acting legal adviser and head of the American delegation negotiating the Law of the Sea Issues, said in opposing the Metcalf-Downing bill that the measure "has become a symbol to many countries of what they regard as defiance of the multi-lateral negotiating process . . . It is necessary to achieve timely, widespread international agreement on outstanding Law of the Sea issues in order to preserve and save over two-thirds of the earth's surface from national conflict and rivalry."

Brower told the House that it looks like the Law of the Sea Conference will be successfully concluded in 1974 and certainly no later than 1975.

If the U.S. Congress should go ahead and pass the industry's seabed mining bill before then, Ratiner warned, "it would be the functional equivalent of preempting the Law of the Sea Conference on this issue. The U.S. has committed itself to the proposition that the regulations and use of deep ocean mineral resources should be accomplished under an international agreement which in particular would be of benefit to the developing countries."

The Federation of American Scientists, in supporting State's position and assailing the mining industry's is "special interest bill," said "it would be a catastrophe pregnant with possibilities for war if the oceans were to be carved up on a first-come, first-served basis as was colonial Africa in the 19th century."

ADDITIONAL STATEMENTS

SENATOR ROBERT C. BYRD DELIVERS COMMENCEMENT ADDRESS ON MAY 13, 1973

Mr. ROBERT C. BYRD. Mr. President, on yesterday I delivered the commencement address at Morris Harvey College, Charleston, W. Va. I ask unanimous consent to print in the RECORD the transcript of that address.

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

ADDRESS OF SENATOR ROBERT C. BYRD

President Buckalew; the Reverend Mr. Light; members of the graduating class; Professor Evelyn Harris, Professor Frank Krebs, and other distinguished members of the faculty; my senior colleague in the Senate, Senator Jennings Randolph; Ladies and gentlemen.

At the outset, I wish to thank President Buckalew for inviting me to participate here today, and I want to congratulate those of you in this graduating class. Being a father and a grandfather, I also want to commend the parents who have sons and daughters graduating—I know something about the sacrifices you have made, and I also know something about the joy and satisfaction that are yours today.

I suppose that if all the commencement addresses that have been given were laid end to end, we might, for the first time in the history of man, reach infinity. And if all those who have used the same language and expressed the same philosophy were likewise laid end to end, we might come within striking distance of the same goal.

First of all, let me commend to your consciousness, the lines of Joseph Addison, when he wrote in the first Act of "Cato":

"Tis not in mortals to *command* success;
But we'll do more Sempronius, we will *deserve* it."

I do not doubt that some mortals who achieve success do not deserve it, but, as a general rule of life, in any calling, success largely is a result of hard work and a determination to get ahead. We live in a materialistic society—sometimes I think too materialistic a society—and success is too often measured in terms of worldly goods.

Sometimes I wish we honored our poets and our painters as much as we tout our technology.

I do not for a moment deprecate the ambition or the efforts of the man who makes a million dollars. To do so, requires a drive, a determination, and a dedication to work in most cases, that are admirable qualities. But it is when success—as seen in terms of cash—becomes an obsession, that perhaps our mores are suspect.

I have the greatest respect for the dignity of labor. I honor the man or woman whose fulfillment is found in honest work. There are few rewards to be won without it. I think it is important also, that we remember that one of hard work's most valuable rewards is that it gives us an opportunity to enjoy some leisure. For even the most conscientious person, it is necessary occasionally, to pause from labor and enjoy the flowers.

Obviously, different jobs represent different levels of importance and have different levels of compensation, and in recent years there has been a tendency to decry the necessity of giving a job the very best job-holder has within him. Nobody wants to start at the bottom any more, and we are gradually developing a national attitude that if a goal or a commodity requires more than minimal effort to obtain, it is not worth spending the effort. But the capacity for enjoying work, however unglamorous that work may be, is one of the most valuable traits a man or a woman can possess, and can give the individual immense satisfaction. This may sound like moralizing, but it is still true that the bigness of a job is directly related to the bigness with which the job-holder regards it. A big man can make a little job big. Monotony is not compatible with conscientiousness.

Very soon, you who form this graduating class will leave the relative calm of this campus, and you will enter into the maelstrom of modern life. I am sure that all of you possess certain ideals. You will find, as you pursue the necessity of making a living, that the sometimes harsh facts of life will put some of your ideals to a severe test. It is likely that you will be forced by circumstances to abandon some of your cherished ideals. It is even possible that some of your idealism will, in time, be replaced by pragmatism at best, and cynicism at worst. When this happens, and it happens to many of us, the realization that the basic nature of mankind has facets of evil as well as of good, can come as a shock. It can also cause some scars that take some time to heal.

The answer, of course, is to be able to strike a reasonable balance between the euphoria of idealism and the cold facts of realism. I am not sure whether your generation is blessed or cursed by the most significant change that has taken place in everyday life over the past quarter-century. I refer to the extraordinary developments in the field of communications, and the apparent propensity of much of the media to dramatize the seamier items in world and national news—frequently to the exclusion of the good. Few things in history have ever exerted the influence on human thought and action as does television. This medium reaches into the lives of hundreds of millions of people all over the world. In our own country, it is perhaps the single most influential force in the shaping of many of our attitudes. Commercial television is responsible, at times, for bringing into our homes important programs of high educational value. It is also responsible, far too often, for bringing into the lives of the impressionable young, programs of the worst kind of banality.

Perhaps what troubles me most about the all-pervading power of television is that in millions of homes throughout this vast land, the channel selector has taken the place once held by a good book.

Far too many hours that young people and grown-ups once spent with the beauty of words and language, are now spent absorbing the hucksters' messages on the beauty of detergents.

I am well aware that all of you who graduate today must have spent many hours over the past years, with books as your only companions. I am also aware that reading for learning is not quite the same as reading for pleasure. But I would express the hope that, in the years to come, when reading will be a choice and not an assignment, you will devote a little of your leisure to re-acquainting yourselves with the beauty of the printed word.

The suggestion may also be appropriate that in this frenetic age, modern technology has so far outstripped the will of man to control it, that our machines are rapidly becoming our masters, rather than the other way around.

There is even a danger that we will become so programmed and blase that we will lose the ability to recognize that we need to reach beyond the purely material and concern ourselves with developing the qualities of the mind and heart that really make life worth living.

We are living in a time of dynamic change and historic transition. Though it may not happen in my lifetime, or even, perhaps, in yours, the eventual results of this change and transition will be shaped by whether we work for a higher level of human existence or allow ourselves to become programmed robots, oblivious to the nuances of the human condition.

In the two centuries of our existence as a nation, we have achieved a position in the world that none of the great civilizations of the past came close to achieving. We have created a society and an economy richer, by far, than man has ever before known. Our land has flowed with milk and honey, and we have been well content. But today, three years before our second hundred years, rumblings of discontent are being heard throughout the land. I refer to the discontent that is evident in the ranks of those Americans who are not poor or underprivileged. I refer to millions of middle-class Americans who are enjoying a prosperity undreamed of by their parents and grandparents; who are earning the highest wages in history; who live in comfortable suburban homes, with at least one automobile in the carport; many of whom have a beach cottage and a boat.

Perhaps Plato knew the answer when he wrote, in "The Republic": "Wealth is the parent of luxury and indolence; and poverty of meanness and viciousness; and both of discontent."

I prefer to think, however, that a more likely reason for the discontent among those Americans whose lives are comfortable is that they find something lacking in their lives that no amount of material comfort can

provide; that split-level homes, powerful automobiles, cabin cruisers, and even the magic tube cannot provide. I believe, and I most sincerely hope, that perhaps even if they cannot clearly define the yearning, millions of our people, deep in their hearts, want to fill the void of discontent with the old values and verities that characterized this nation in its formative years.

These values did not include power, merely for power's sake, or its use where such use is questionable.

For example, Americans who express opposition to our bombing in Cambodia are reflecting an increasingly sharp national conscience regarding our continued military action in Indochina.

For myself, I see no justification for American military actions in Cambodia, now that we have effected a cease-fire in Vietnam. We have been assured by the Administration—an assurance backed up by President Thieu of South Vietnam—that the Vietnamization program has worked so well that South Vietnam is entirely capable of handling its own defense. Therefore, the current bombing in Cambodia, in my judgment, is not justified. The United States has no commitments under any treaty or protocol, to defend Cambodia. There are no American ground troops to be protected. Our prisoners of war are home.

I supported President Nixon on the war in Vietnam, and I believe the results he achieved justified my support. But the current bombing in Cambodia, in my judgment, not only is unjustified, but it also carries with it the danger of deeper involvement. I believe our national conscience reflects this concern. And I believe that, dormant though they may have been for too long, there are still in the American spirit, kindness, unselfishness, patriotism, integrity, and faith. These qualities, I believe, are struggling to move once again into the forefront of American thought and feeling. I believe that it is this struggle, ill-defined as it is in the minds of the millions who are experiencing it, that is at the bottom of our discontent.

If my belief is well-founded, this can be a healthy discontent. It shows that while we may have gone a long way down the road of materialistic self-indulgence, it is not too late to pause and re-assess our priorities. It is not too late to leave that channel selector alone for a couple of evenings, and read several chapters of an enlightening book. It is not too late to ask ourselves if we really cannot live without an electric toothbrush or if we must have an automobile that is two feet longer than our last one. It is not too late to take the steps that will assure our children and our grandchildren that they will be able again to swim in our lakes and in our rivers; or that we shall once again be able to walk safely at night in the streets of our cities.

At this time, all over this great country, thousands of intelligent young Americans are bidding farewell to the schools and colleges that have been their center of activity for three or four of the most important years of their lives. I am hopeful—now that our participation in the soul-destroying conflict in Vietnam is over—that these young Americans of whom you are a part, will use their intelligence to temper materialism with the gentleness and understanding of things of the spirit—that the things of the spirit will continue to have a place in our lives. Without it, you and yours, and this great nation of which we have the good fortune to be a part, will face an uncertain future.

EAST-WEST TRADE AND THE JACKSON AMENDMENT

Mr. SAXBE. Mr. President, last year I cosponsored an amendment to the East-West Trade Relations Act which would deny most-favored-nation treatment and participation in various U.S. credit programs to countries which deny their citizens the right to emigrate or impose prohibitive taxes on such emigration. At this time, I do not intend to again cosponsor the Jackson amendment. I believe that global detente is too delicate to attempt to influence the Soviet Union to change its internal domestic policy. The general relaxation of tensions can be increased by further economic cooperation among the great powers and this in turn, we can hope, will lead to an end to the persecution of minority groups inside the Communist countries.

In addition there is always the question of how far does our Nation go in the enactment of legislation which influences the internal policies of another nation?

I commend to my colleagues an editorial which appears in the May 4 issue of the Wall Street Journal which analyzes this aspect of the question and raises some pertinent issues which I believe are important in discussion of this matter. The editorial imputes to my colleague motives which I do not agree he holds, but the substantive arguments offered are valid and vital and I ask unanimous consent that the article be printed in the RECORD.

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

THE JACKSON AMENDMENT

Senator Henry Jackson of Washington has had an impressive success in this one-man campaign against the restrictive emigration policy of the Soviet Union. Moscow has informed President Nixon that it has suspended the education tax it began imposing on Jewish emigres a year ago; Soviet Communist Party chief Leonid Brezhnev personally assured seven of Mr. Jackson's Senate colleagues, who visited Russia, that this is so.

The Soviet concession was no doubt prompted by Mr. Jackson's amendment that would deny Most-Favored-Nation trade status and export credits and credit guarantees to the Soviet Union because of that emigration policy. The amendment, supported by 76 Senators in all, does not specify the Soviet Union by name. It would apply to any nation with a "non-market economy" that did not give its citizens the "right and opportunity" to emigrate without having to pay extraordinary taxes or fees.

Having achieved his immediate goal, however, Sen. Jackson now seems prepared to press his amendment further, arguing that the Soviets continue to make it difficult for Soviet Jews to obtain exit visas and that applicants for visas often find themselves unemployed. He believes abandoning the campaign would signal U.S. disinterest in the continuing problems of Soviet Jews.

In view of Moscow's concession, President Nixon has beseeched both the Senator and leaders of the American Jewish community to drop the amendment. He asserts that progress toward his larger foreign-policy design, involving detente with the Soviet Unon, would be blocked should Congress condition MFN status with the Jackson amendment. He envisions possible Soviet termination of discussion in the SALT talks, mutual force reduction talks in Europe, and other promising East-West forums. No doubt the issure will be raised again when Mr. Brehnev visits Washington next month.

While we would be delighted if Mr. Jackson would find some alternate way of keeping Soviet emigration policy in the spotlight, we should not forget the nature of the Soviet regime. But as a rule, we disapprove of the U.S. government involving itself in the internal policies of other nations, except insofar as those policies affect U.S. citizens or interests. For one thing, the United States does not silently suffer foreign infringement on its domestic affairs. For another, such activities rarely produce the desired results. Most important of all, there is always the risk that basing foreign policy on judgments about the internal morality of another nation will divert us from the real purpose of foreign policy, which is to protect the interests of the United States.

Senator Jackson has demonstrated that it's possible to lever the Russians into a change of policy, but the question is to what end that leverage will be used? Would he be willing to take some chips from the SALT talks, we wonder, and spend them for the benefit of potential Soviet emigrants? And how much of a relaxation would he require? Would the Russians have to unravel the whole totalitarian system dating back to 1917 before we are willing to trade with them, even though we deem that trade to be in our larger national interest?

After all, Mr. Jackson's chief supporters include the AFL–CIO, and Mr. Meany's precondition for trade with the Soviets goes well beyond the Kremlin's treatment of Jews. At times, AFL–CIO officials sound as if they will settle for nothing less than a change in Soviet leadership and a change in the Soviet form of government before they would consider competing with the "slave labor" of the Soviet Union. They have visions of millions of Russians and Chinese, earning ten or twenty cents an hour, cranking out manufactured products for export to the U.S. and undermining our domestic industries.

Even the state of Israel is not as "tough" on the emigration question as Mr. Meany or Senator Jackson. And leaders of the American Jewish community, which has conserved its strength on Capitol Hill by keen attention to American interests, find themselves in a position where they cannot afford to be "less Jewish" than Scoop Jackson.

It's hard to avoid the impressions that Senator Jackson, like Mr. Meany, has bigger fish to fry. While Mr. Meany is suspicious of detente for his own narrow reasons, Senator Jackson is equally suspicious on far broader ones. He worries that American national security will be endangered because a democracy will drop its guard while a dictatorship will not. This is not an idle fear, and it's nice to have people around like Senator Jackson to warn of potential pitfalls or booby traps.

It may be, in fact, that the whole Nixon foreign-policy approach is misconceived. Perhaps detente is not such a good idea; certainly so far there is a good case to be made that the Russians have acquired more leverage over our policies than we have acquired over theirs. But it is one thing to see a policy rejected on its merits, and it is quite another to see it derailed over issues unrelated to American interests.

Aiding the Soviet Jews and other hard-pressed people is certainly a worthy endeavor, well worth maintaining rhetorical pressure. But when it comes to a point where Mr. Nixon's whole foreign policy design may be derailed because the Soviets haven't adopted the Bill of Rights and the Wagner-Connery Act, then it's well past the time to step back and debate the fundamentals, to ask precisely what are the national interests of the United States?

ECONOMIC CONTROLS VERSUS HIGH INTEREST RATES

MR. BENTSEN. Mr. President, last month I urged the administration to use its authority under the Economic Stabi-

lization Act to return to mandatory wage-price controls, similar to those of phase II.

I renew that plea today. Since I last spoke on this subject consumers have received more bad economic news. Inflation in the first quarter was twice the January estimate of the President's Council of Economic Advisers. Even greater consumer price increases can be expected in the future because of an almost unbelievable 14 percent annual rate of increase in the price of wholesale industrial commodities over the last 3 months. New York Economist Pierre Rinfret, who was the chief economic spokesman for President Nixon's reelection campaign, has been quoted as calling phase III, "a continuation of a do-nothing policy reminiscent of 1969. They are merely hoping or praying that something will come along and bail them out of their mistakes." When one of the President's own economic advisers describes the administration's program in words as strong as those, I think we must take notice.

In 1969 and 1970 even voluntary price-wage controls were rejected and a tight monetary policy was adopted as our weapon against inflation. That policy not only created a recession during which the Nation suffered 6 percent unemployment for 18 straight months, it caused some of the highest interest rates since 1896.

The failure of phase III has caused the burden of controlling inflation to once again be shifted to a policy of tight money. Since phase III went into effect, the growth in the money supply has been restricted substantially and interest rates have climbed steadily.

The prime rate of interest which banks charge their most credit worthy customers is 30 percent above its level of last summer. Some other rates have already begun to move in that direction and more are sure to follow.

With all of the other price increases these higher interest rates have received very little attention except on Wall Street and in the banking community.

But, Mr. President, these higher prime rates will affect every factory worker, every businessman and every housewife in this country. The average American will never see the financial institutions in New York or the Federal Reserve Building in Washington, and he does not borrow at the so-called prime rate. But these average Americans are consumers and they pay for these increases in higher prices for the goods they must purchase. They are taxpayers and bear the higher cost of Government borrowing.

Let us examine some of the costs to average Americans of the last round of high interest rates—costs which they will continue to bear for many years.

The homeowners had to pay $192 a month for a $25,000 house in 1970 instead of $150 per month in 1967. That is the difference between 6 percent interest on an FHA loan and 8¾ percent. Over 30 years that homeowner will pay $15,000 in extra interest on a $25,000 house, because of a tight money policy in 1970.

Mr. President, and what about the prices that our citizens must pay for utilities? The effect of high interest rates over the last several years on utility borrowing has been phenomenal. In 1967, American Telephone & Telegraph issued triple A bonds at 6 percent. In 1970, the company made another issue of triple A bonds, but this time for $1½ billion and the best rate they could get was 8¾ percent. Mr. President, the extra interest on those bonds is over $40 million a year. The telephone users of this country will be paying that extra $40 million a year in their rates for the next 30 years because of high interest rates in 1970. That is only the telephone bill. Power companies, gas pipeline companies were also forced to borrow during that period.

Mr. President, the effects of higher interest rates do not end with homes and utilities, they also affect taxes. Interest on U.S. Government bonds paid for by Federal income tax revenues, rose substantially between 1967 and 1970—and so did interest on municipal bonds paid for by local property taxes. The taxpayers of this country will be paying off the interest on those bonds for a long time.

Mr. President, I fear we are again moving very rapidly toward the interest rates of 1970 with all of the costs to the consumer and taxpayers, which I have just described. However, despite the significance of these costs, the greatest cost to the Nation will be if tight money reverses the present economic expansion. High interest rates will reduce housing construction, municipal and business investment and will ultimately speed the onset of recession.

Some are saying the economy is overheating. Growth during the first quarter was the most rapid during any quarter in 18 years. But when inflation is taken out the real growth was not excessive for an economy which still has too many people unemployed. We do not have too much growth. We have too much inflation.

The answer to that inflation is not high interest, it is a tough control program during the next 12 months. Chairman Burns of the Federal Reserve, which bears responsibility for our monetary policy, has been one of the most vigorous advocates of meaningful controls. I urge the President to heed the advice of Mr. Burns. And I urge Mr. Burns to allow our economy a freer rein on credit. Let us not allow the present expansion to be choked off prematurely by high interest.

MEDIA FAILED, MISLED AMERICA AT WOUNDED KNEE

Mr. HELMS. Mr. President, the confrontation at Wounded Knee has now been ended. The way that this affair was handled does no credit to anyone. The militants who were challenging the authority of the Indian leadership and the U.S. Government managed to milk the utmost in publicity out of this lawless takeover. According to news reports, the alleged grievances will now be negotiated with a committee representing the AIM militants. This tends to give them credibility and prestige.

It is abundantly clear that the AIM leadership is drawn from a disreputable group of riff-raff, many of them with past criminal records of a common and violent nature. Their current activities are just as flagrant, including not only the armed assault which occurred at Wounded Knee, but also arson, threatening the lives of the innocent, riot, and resisting arrest. Yet because they try to pull the cloak of political coloration over their lawbreaking, they are treated as though they were respectable adversaries.

AIM does not represent the American Indians. Indeed, according to the New York Times of May 8, at least half of the 120 who were removed from Wounded Knee after the confrontation was over were not even Indians. I do not understand why the New York Times reporter lacked the curiosity to inquire into this interesting detail. On the face of it, it seems to shed some light on the validity of the AIM claim for Indian leadership.

Nevertheless, there is no doubt in my mind that AIM does not represent the Indian leadership. I recently received a letter from an American Indian who was pleased to see me take that stand. Mr. Robert Andrew Meigs, of San Jose, Calif., wrote as follows:

> You made it clear that the so-called American Indian Movement did not have the support of all Indians. That is probably the most important point in the long debate about what is currently going on at Wounded Knee, and yet the Media has failed to inform the public that AIM is really a minority within a minority.

Mr. President, Mr. Meigs' letter is very instructive on these points, and, as an American Indian, his testimony is particularly relevant. I ask unanimous consent that his letter be printed in the RECORD at the conclusion of my remarks.

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

SAN JOSE, CALIF.,
April 12, 1973.

U.S. Senator JESSE A. HELMS,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HELMS: I have just finished reading your rather comprehensive report on the American Indian Movement in the April 2nd issue of the *Congressional Record*. As an American Indian who does not in any manner support or approve of the violent and destructive activities of A.I.M. I was quite impressed with the completeness and objectivity of your presentation.

I have been involved in Indian affairs for some time now and have more than a casual acquaintance with the kind of people who work in the American Indian Movement. For the most part they seem to be young, idealistic individuals concerned with improving the lot of their people. There are also those who would be considered social misfits in any kind of society, including those groups which are predominately Indian. The uncanny thing about A.I.M. is that it seems to draw its real support from those individuals and organizations which seem to know little or nothing about its real purposes or "accomplishments".

What I liked best about your presentation was the fact that you made it clear that the so-called American Indian Movement did not have the support of *all* Indians. That is probably the most important point in the long debate about what is currently going on at Wounded Knee and yet the Media has failed to inform the public that A.I.M. is really a minority within a minority.

I think the Media and the Press would be doing the American Indians a great service if they would interview the leaders of such organizations as the National Congress of American Indians or the National Tribal Chairman's Association. These two organizations have accomplished a great deal for their people in constructive, yet lawful, ways. In the 1800's the only Indians anyone ever heard

about were those tribes on the warpath. But they were not the *only* Indians. Indeed, even today, the only Indians anyone knows about are the feather-bonneted Hollywood warriors of the John Ford films.

I don't know what effect your speech will have on anything but I am certainly glad there is at least one voice of sanity amidst all this chatter about negotiating with A.I.M. Why should the government negotiate with a bunch of criminals? It might be better if the Federal Marshal took the necessary actions required for the A.I.M. people to change the name of the place from Wounded Knee to Busted Head.

In closing I have a favor to ask of you. Would it be possible to get additional copies of your speech? If so, I would greatly appreciate it if you could send me at least two copies. In turn, if there is anything I can do for you please let me know.

Incidentally, I almost forgot to mention that I work with the American Indian Press Association and am a member of the Santa Clara County Republican Central Committee.

Sincerely,

ROBERT ANDREW MEIGS.

KIDNAPING IN MEXICO: SOLUTION IN CUBA

Mr. McGEE. Mr. President, in Saturday's—May 12—Washington Post, there appeared an editorial which makes a very good case for the U.S. initiating efforts to ease tensions between this country and Cuba.

Although the editorial dealt primarily with the recent kidnaping of an American diplomat in Mexico, Mr. Terrence Leonhardy, it is a very sensible and realistic call for a reexamination of our policies toward Cuba.

Presently, my Senate Foreign Relations Western Hemisphere Affairs Subcommittee is conducting hearings into the need for a reassessment of our policy toward Cuba. The evidence continues to become more and more convincing that such an effort has been long overdue.

The Washington Post notes that the antihijacking agreement with Cuba has resulted in the complete elimination of illegal seizures of American commercial airliners to Cuba. The Post goes on to point out:

The United States government ought to use the spectacle (the Leonhardy kidnapping) to build public support for a new joint step with Havana. Or would the administration prefer to wait until another American diplomat is kidnaped, and possibly killed?

The point is well-taken. It is my belief that our present rigid attitude toward the Castro regime can only serve to further our deteriorating relations with other Latin American nations. For what is at stake for the United States is not just United States-Cuba relations, but a much wider consideration of United States-Latin American relations in the 1970's.

I ask unanimous consent that the editorial be printed in the RECORD.

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

KIDNAPING IN MEXICO: SOLUTION IN CUBA

The kidnaping of the American diplomat in Mexico—fortunately, he was safely returned—reveals among other things a damaging gap in Cuban-American relations. For it was to Cuba that the Mexican government flew the 30 Mexican prisoners for whose release the terrorists had kidnaped the American consul general in Guadalajara. Fidel Castro has long since made clear his distaste for Cuba's becoming an involuntary dumping ground for Western Hemisphere escapees of various sorts. Quite fairly, he assigns some of the blame to the deliberate American effort to put Cuba beyond the reach of the hemispheric community. Because Cuba has always enjoyed good relations with Mexico, he must be particularly disturbed over the latest incident. Would Terrence Leonhardy have been abducted if Cuba were not there as a haven? Terrorists and their jailed comrades do not always need or use a foreign sanctuary but the fact that Cuba is there—close by, and still in a relationship of hostility to the United States—cannot fail to embolden would-be kidnapers.

Three months ago, the United States and Cuba broke through more than a decade of diplomatic noncontact to sign a "memorandum of undersanding" intended to deal chiefly with the hijacking of American planes and Cuban boats and with raids launched from American territory against Cuban territory and property. No planes have been hijacked since, by the way. The memorandum specified that "this agreement may be amended or expanded by decision of the parties." It would seem logical as well as urgent to expand the "anti-hijacking agreement," as it is somewhat misleadingly called, in order to deal with the issue raised by the Mexican kidnaping. The issue goes to the same basic question of whether the United States and Cuba will hold toward each other political policies which, intentionally or not, have the effect of encouraging political crimes.

For reasons which defy both sense and understanding, Mr. Nixon and his aides keep demonstrating a rather paranoic fear that any sign of civility towards Cuba will bring the Republic tumbling down. On his side, Fidel Castro seems to have no less an investment in displaying hostility toward Washington: Herbert Matthews reports that the official Cuban press invariably spells Mr. Nixon's name with a swastika in place of the "x." Mr. Castro will have his own explaining to do to Mexico over the 30 released prisoners, some ostensibly "political," some transparently criminal. He could ease his own path by granting Mexico's demand that the 30 be extradited. Regardless, in the kidnaping of Terrence Leonhardy, Americans have had occasion to see one specific result of current policy towards Cuba. The United States government ought to use the spectacle to build public support for a new joint step with Havana. Or would the administration prefer to wait until another American diplomat is kidnaped, and possibly killed?

DANIEL ELLSBERG AND NATIONAL SECURITY

Mr. GOLDWATER. Mr. President, I believe it is important for all of us to understand exactly what took place in Los Angeles last Friday afternoon and what bearing the developments in the Ellsberg case might have on the future security of the United States.

As we all know, nothing was settled at the time Judge W. Matthew Byrne, Jr., dismissed the charges against Daniel Ellsberg and Anthony Russo, Jr. for the theft and distribution of classified Government material known in the press as the Pentagon papers.

Mr. President, after all these months of litigation we still do not know whether people who steal classified information and make it public are to be held accountable under the laws. Nor do we know whether the defense contention that laws protecting classified information run counter to the first amendment have any legal validity.

Thanks to a group of ill-advised Government officials who felt that it was proper and necessary to take the law into their own hands to speed the conviction of civilians who had taken the law into their own hands there are now no rules governing the theft and dissemination of classified Government documents. Thanks to a group of self-appointed Government officials who called themselves plumbers and who performed with the finesse of plumbers in a case involving the American system of jurisprudence it is now possible for anybody with a purpose to leak any kind of information he can get his hands on. Mr. President, thanks to stupidity on the part of the Government, nothing was settled in Los Angeles. Ellsberg and Russo were not convicted of their crimes; nor were they vindicated on the charges. In fact, nobody won in the Pentagon papers case except muckrakers in the press who trade upon revealing secret Government information and zealots within the Government who believe, like Ellsberg, that their judgment is superior to that of men elected to operate the Government and who feel that any means—even stealing classified materials—is justified to make their point with the public.

This is not meant as a criticism of Judge Byrne. Given the circumstances that confronted him, I do not see how he could have taken any other course. Even so, the question of American security and the protection of sensitive Government documents remains unsolved. It would be well for those entrusted with the protection of those documents to exercise a special brand of vigilance.

IMPEACHMENT: A MATTER FOR UTMOST CAUTION

Mr. McGEE. Mr. President, in Saturday's—May 12—edition of the Washington Post, there appeared a very thought-provoking column by Chalmers Roberts entitled: "Impeachment: A Matter for Utmost Caution."

Mr. Roberts reaches back into history to review the impeachment attempt against President Andrew Johnson. In comparing that event to recent talks of impeachment of President Nixon vis-a-vis the Watergate, Mr. Roberts makes this observation:

Perhaps current talk of impeachment of President Nixon will quickly fade away; perhaps it will increase. It would all seem to depend on the facts brought out, especially those indicating one way or another whether he had foreknowledge of, or a hand in, what is covered by the general term "Watergate scandal." The lesson of history, however, is clear: impeachment of a President should be considered with the utmost caution, so vast are its consequences.

Mr. Roberts notes that since the remedy of impeachment is the ultimate one under the Constitution, it should be approached with the utmost caution. It was not so in the Johnson case, and we stand on the brink of repeating this past mistake.

It would behoove us all to tread cautiously at this time and let the legal and judicial processes of this Nation run their course, rather than jumping to hasty and unwise conclusions.

I ask unanimous consent that the column be printed in the RECORD.

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

IMPEACHMENT: A MATTER FOR UTMOST CAUTION

(By Chalmers M. Roberts)

Talk of impeachment of President Nixon has been heard at the Capitol among both Republicans and Democrats. Even such a usually mild-mannered Congressman as Rep. Gilbert Gude (R-Md.) says it cannot be ruled out "if there is evidence implicating the President" in the Watergate scandal.

The central question, of course, is whether Mr. Nixon will be "implicated." So far he has not been. But the latest Gallup Poll shows that 40 per cent of those questioned thought Mr. Nixon knew in advance about the Watergate bugging. If he did, would that be grounds for impeachment?

Section 4 of Article II of the Constitution says that "the President, Vice President, and all civil officers of the United States shall be removed from office on impeachment for the conviction of treason, bribery, or other high crimes and misdemeanors." The Constitution also provides that the Senate has "the sole power to try all impeachments," that a two-thirds vote is required for conviction and that, when the accused is the President, the Senate shall be presided over by the Chief Justice of the United States. By statute the House of Representatives "impeaches" the President, by majority vote, and in doing so it brings the charges to be tried by the Senate and it chooses the leaders to direct the prosecution before the Senate.

The Constitution also says that "judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit under the United States; but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment, and punishment, according to law."

Under these powers the Senate has sat as a court of impeachment in 12 cases: one President, one Cabinet member, one senator, one Justice of the Supreme Court and eight lower court judges. Four of the judges were found guilty; others were either acquitted or resigned or the Senate found a lack of jurisdiction.

Of all these 12 cases the most important impeachment, and the only one at all relevant to the current situation, was that of President Andrew Johnson. He was saved by a single vote.

Mr. Nixon's departing Attorney General, Richard Kleindienst, testifying last month on the President's executive privilege, said that if the Congress does not like the Executive's action it can "cut off our funds, abolish most of what we can do or impeach the President." Kleindienst also remarked that "you don't need facts to impeach a President." That last remark was a shocker to many but if Kleindienst was basing it on the impeachment of Andrew Johnson he was just about right. For the Johnson impeachment case was about as disgraceful an affair as any in American history.

Indeed, a look at the Johnson case should mute some of the loose talk about impeachment of President Nixon, so unfair were the charges, so unscrupulous were its proponents, so political was the atmosphere and so destructive of orderly government was the whole affair. The words of Kansas Sen. Edmund G. Ross, who cast the deciding "not guilty" vote, are pertinent:

"In a large sense, the independence of the executive office as a coordinate branch of the government was on trial . . . If . . . the President must step down. . . a disgraced man and a political outcast . . . upon insufficient proofs and from partisan considerations, the office of President would be degraded, cease to be a coordinate branch of government, and ever after subordinated to the legislative will. It would practically have revolutionized our splendid political fabric into a partisan congressional autocracy . . . This government had never faced so insidious a danger . . . control by the worst element of American politics . . . If Andrew Johnson was acquitted by a non-partisan vote . . . America would pass the danger point of partisan rule and that intolerance which so often characterizes the sway of great majorities and makes them dangerous."

The case against Andrew Johnson and the possible case against Richard Nixon are not the same, of course. But the remedy of impeachment is the ultimate one under the Constitution and should be approached with the utmost caution. That clearly was not so in the Johnson case.

Andrew Johnson came to the Presidency on the assassination of President Lincoln. His determination to follow what his enemies called Lincoln's "tenderhearted" treatment of the defeated Confederate States produced a head-on collision with the Radical Republicans who controlled Congress and who were out for vengeance on the South. The Radicals won the 1866 election and they were determined to get rid of the President who tried to block their Reconstruction measures. They set a trap for Johnson by passing the Tenure of Office Act which forbade the President to dismiss civil office holders, including Cabinet members, without consent of the Senate. The act was clearly unconstitutional and Johnson sought a court test by dismissing Secretary of War Edwin Stanton who he correctly suspected of conniving with the Radicals in Congress. The Radicals were in no mood, however, for a test of the Tenure Act's constitutionality. Instead, the House voted 11 articles of impeachment, the first eight related to the Tenure of Office Act, the ninth related to a Johnson conversation with a general that was said to have induced violations of an Army appropriations act, the tenth charged Johnson with "intemperate, inflammatory and scandalous harangues . . . as well against Congress as the laws of the United States" and the eleventh was a catch-all of the preceding 10 designed to garner as many votes as possible for impeachment.

The Senate trial, presided over by Chief Justice Salmon P. Chase, ran from March 5 to May 16, 1868 (Johnson's term ended the following March 4). Leaders of the House prosecuted the case; Johnson, who never was present, was defended by five lawyers including a former Supreme Court justice and the just-designated Attorney General. Senators were badgered both in print and in person to vote against the President and some even were offered money to do so. But the 12 Democratic senators plus seven of the 42 Republicans voted "not guilty" and the impeachment failed by one vote of the necessary two-thirds.

Johnson was saved but the Radicals had won; their version of Reconstruction was fastened on the South for decades to come. It was 20 years before the Tenure of Office Act was repealed. The presidency, as an institution, only began to regain its equality with the Congress later in the century and early in this century.

Impeachment, James Bryce long ago wrote, was deemed by the founding fathers as "a valuable element in their new Constitution, for it enabled Congress to depose, and the fear of it might be expected to restrain, a treasonably ambitious President." The procedure derived from English usage via the constitution of Virginia and Massachusetts.

Perhaps current talk of impeachment of President Nixon will quickly fade away; perhaps it will increase. It would all seem to depend on the facts brought out, especially those indicating one way or another whether he had foreknowledge of, or a hand in, what is covered by the general term "Watergate scandal." The lesson of history, however, is clear; impeachment of a President should be considered with the utmost caution, so vast are its consequences.

GRACIE PFOST

Mr. CHURCH. Mr. President, 20 years ago, Idaho sent to Congress one of the most colorful—and effective—political figures of the State's history, Mrs. Gracie Bowers Pfost.

Mrs. Pfost served Idaho's First Congressional District for 10 years in the House of Representatives, before retiring to run for the Senate.

The Intermountain Observer of Boise, Idaho, has just run a lengthy retrospective article on Mrs. Pfost's remarkable life and career.

Written by the paper's publisher, Sam Day, the article captures the spirit of this remarkable woman, and the role she played in shaping Idaho as it is today during the crucial 1950's.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

[From the Intermountain Observer, May 5, 1973]

THE UNFORGETTABLE "HELL'S BELLE"

(By Sam Day)

Idaho has produced some colorful figures who dominated the politics of their day: William E. Borah, the lion whose roar was heard in chancelleries around the world; Glen Taylor, the singing cowboy senator who rode a white horse up the capitol steps and ran for vice president as an independent in 1948; Herman Welker, who sometimes outdid even Joseph McCarthy and Richard Nixon as the nation's top Communist hunter of the 1950s, and Don Samuelson, who won the governorship in 1966 largely on the strength of the superbness of his fly-casting on television.

But few political careers have been more memorable—or more significant—than that of a red-headed, freckle-faced dynamo named Gracie Bowers Pfost (pronounced Post), whose exploits, though still fresh in the memory of old-timers, are beginning to slip behind the mists of history. This year marks the 20th anniversary of her accession to power.

Mrs. Pfost, a rock-ribbed Democrat from rock-ribbed Republican Canyon County, served for 10 years in Congress before retiring from electoral politics after coming close to winning a seat in the U.S. Senate in 1962. During her time she was not only the undisputed champion of Idaho Democratic politics but also one of the most effective vote getters in either party. Her exploits on the stump were legendary.

She won and held power through a combination of hard work, assiduous attention to political detail, solid legislative accomplishment, brilliant public relations and the sheer force of an exuberant personality. In becoming the first woman ever to win national political office in Idaho, she turned what was at first a political liability into an asset which came to be the despair of her male opponents.

Born March 12, 1906, in a log cabin in the Ozark Mountains of Arkansas, Gracie came to Idaho as a child when her family moved to a farm in Boise County. At 18 she married Jack Pfost, a lumberjack and mechanic who was to become her lifelong unpaid chief administrative assistant. She took bookkeeping and secretarial courses at Link's Business College in Boise and went to work in 1929 as a deputy in the Canyon County auditor-recorder's office.

Like many a young person who had come up the hard way in the 1920s and early '30s, Gracie developed an acute indignation over the social and economic injustices of the Depression era. Her enthusiasm for the reforms of Franklin D. Roosevelt was unbounded, and she went to work in Democratic Party politics with fervor.

Defeated by Canyon County's automatic Republican majorities in her first bid for elective office (county treasurer) in 1938, she tried again two years later and won the office by a hair's breadth. She was re-elected four times and eventually became the county's top vote getter. By the late 1940s Mrs. Pfost had built an unassailable power base in her own constituency, where Democrats ordinarily are slaughtered, and was getting to be known elsewhere in the state.

Her strength in the region where her party was weakest made Gracie a natural contender for Idaho's First District congressional seat, which had been Democratic through most of the 1930s and '40s by virtue of the heavy labor vote in the lumbering and mining areas of northern Idaho. She plunged into what were to become two of the closest election contests in Idaho history.

The first time, in 1950, Mrs. Pfost lost by 783 votes to Dr. John T. Wood, a conservative physician from Coeur d'Alene. Two years later she took him on again, seizing on the issue of his having used his congressional franking privilege to flood the mail with anti-United Nations propaganda. Despite the Eisenhower landslide of that year (Ike carried Idaho by more than 25,000 votes), she sent Dr. Wood into exile with a margin of 581 votes.

Gracie stepped into a Congress dominated largely by the efforts of Democrats to prevent Republican dismantling of the social welfare programs of Roosevelt and Harry S. Truman. In natural resources and rural development legislation, where many of her interests lay, the issues were typified by the Hells Canyon dam controversy, which was Idaho's biggest political fight of the 1950s. The issue then was whether the Snake River's Hell's Canyon, deepest gorge in North America, which bordered Idaho's First Congressional District, was to have a high federal dam or three smaller private power dams. Truman had wanted the high dam; Eisenhower wanted to turn the license over to Idaho Power Co. for the three smaller dams. Gracie jumped into the fray and quickly won the sobriquet of "Hell's Belle," a nickname that stayed with her long after the battle was lost.

Elsewhere, Mrs. Pfost's legislative efforts were straight out of the New Deal and the Fair Deal. "I am for full development of our natural resources as the best way of improving Idaho's economic health," she once said. "I am for increased farm price supports, for tax reductions for low and middle income individuals as soon as our economy permits and immediate tax relief for small business. I stand for increased retirement benefits and for the allocation of surplus agricultural commodities to public assistance and unemployment recipients."

The AFL–CIO, the Railway Labor's Political League, the mine workers, the wood workers and other unions gave her almost perfect marks and worked unstintingly in her behalf. But Gracie was always her own best political worker.

In session and out of session, she toured her far-ranging district in unending public appearances. In the trunk of her car she carried cowboy boots, jodhpurs, a bright rodeo shirt, big hat, slacks and a gold miner's pan. She invariably rode a palamino in the annual Lewiston Roundup and showed up at county fairs from the Boise Valley to the Canadian border.

Her office in Washington became a virtual letter- and card-mailing factory which let no birth, no wedding and no high school graduation go unnoticed. She forged iron-tight relationships with those who were then the Democratic power brokers of north Idaho—Tom Boise in Lewiston, Ray McNichols in Orofino, Jap Inscore in Moscow and Glenn Bandelin in Sandpoint.

The result was that Gracie became virtually invincible in the First District. While Democrats wilted during the Eisenhower years of the 1950s, she regularly increased the size of her electoral victories.

In 1954 she took on Erwin Schwiebert, a capable but somewhat stuffy political scientist from the College of Idaho. Mrs. Pfost fought him to a draw in the annual log-rolling contest at the Orofino Lumberjack Days celebration that year, but made mince meat of him in the election. She won by 8,931 votes.

In 1956 the Republicans trotted out a woman—Louise Shadduck, a staff assistant to Sen. Henry C. Dworshak, who was herself a rising young star in GOP politics. Gracie defeated her by 11,186.

In the next election the Republicans threw in one of their biggest guns, Bert Curtis of Orofino, who, as the chief proponent of a big dam on the North Fork of the Clearwater River (later to be built as Dworshak Dam), had made a name for himself as "a *man* who gets things done." Gracie undid him by 23,905 votes.

After that the Republicans virtually gave up on unseating her. Her opponent in 1960, Mayor Thomas Leupp of Nampa, was a sacrificial lamb. Gracie beat him by 23,697 votes.

Mrs. Pfost could probably have continued in Congress as long as she lived. But the death of Senator Dworshak in the summer of 1962, creating an unexpected vacancy in the Senate, brought her career to the crossroads. Against the advice of some of her closest political mentors, she decided to go after the seat.

The political odds which had so often favored her in the past were stacked against her this time. Her opponent was a former governor, Len B. Jordon, well known throughout the state, who benefited from the fact that Idaho's Republicans, despairing of unseating Democratic Sen. Frank Church in the other major contest of that year, had concentrated most of their money and efforts behind his campaign.

Gracie had time for only a few frantic get-acquainted tours through southern and eastern Idaho, where she was little known. She also was sorely handicapped by the absence of her husband, whose death had deprived her of her most valued political counselor. She lost the election by about 5,000 votes. Some say that if she had had another month to campaign she would have won.

Mrs. Pfost took a political appointment as a special assistant for housing for the elderly in the Federal Housing Administration, touring the country to implement legislation which she had helped forge as a member of Congress. But cancer, which had begun to slow her down in her last years in politics, forced her early retirement. She died in a hospital at Bethesda, Md., on August 11th, 1965, at the age of 59, and is buried in the Meridian cemetery

"Her dynamic and colorful personality, the compassionate issues which she advocated and her gift for plain speaking engendered affection and loyalty among her constituents who rallied to her cause in ever-increasing numbers," says a long-time friend and political associate, Wilma Patterson of Nampa.

"Hell's Belle" was a born scrapper in an arena where winning is what counts. She taught herself and others how to win. She lives on in others—Republicans and Democrats, men and women—who have fought their way to the top of the heap in politics.

REPORT ON VISIT TO WEST POINT

Mr. GOLDWATER. Mr. President, as a member of the Board of Visitors of West Point representing the Armed Services Committee, I visited with the officials of the Academy on the 9th of May inasmuch as it was not possible for me to attend the regular meeting the weekend before.

As is my custom, I made a brief report of the visit to members of the Armed Services Committee, and I ask unanimous consent that a copy of that report be included at this point in my remarks.

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

MAY 10, 1973.

DEAR SIR: It was impossible for me to attend the last meeting of the West Point Board of Visitors, but I did spend the day of May the 9th up there visiting with the Superintendent and other officials.

The only problem they seem to be faced with at the moment is one involving the honor system, and in the past a cadet charged for violation of the code would automatically retire. However, the American Civil Liberties Union has now stepped into the recent case and has urged the cadets not to retire, which they have not done and this is presenting a problem because the matter of honesty or dishonesty cannot be the determining factor for the cadets year's work. At the moment it seems to be well in hand, but should this honor system be undermined, it could present a very serious problem.

Another situation I noticed during my visit was that they desperately need a new hospital which is contained in this year's budget in the amount of thirty million dollars. I am very, very hopeful that if you serve on the Appropriations Committee that you will give this your earnest consideration and support.

The present hospital is totally inadequate, extremely old and if we wait any longer to build this it will cost almost double to what it is costing now.

I am happy to report that the Eisenhower Student Union Building is a little ahead of schedule on cost and should be dedicated about this time next year. We can all be proud of this Academy. It is being run with extreme excellence and we should give it every possible help we can.

I have reintroduced a bill, which was not acted on in the last Congress, to provide adequate compensation for those dedicated teachers and instructors who have given up their chances to further their careers in obtaining the rank of general in order that they may stay on the job of teaching. I am most hopeful that the Committee will give this favorable consideration.

Sincerely,

BARRY GOLDWATER.

ELLSWORTH BUNKER, PRESIDENTIAL MEDIATOR

Mr. McGEE. Mr. President, the U.S. involvement in Indochina has been, indeed, a most difficult period in our Nation's history. The domestic upheaval growing out of the Vietnam war has obscured the efforts of many individuals to pave the way for our disengagement.

One of these individuals was Ellsworth Bunker, for 6 years our Ambassador to South Vietnam.

In Saturday's, May 12, edition of the Washington Post, there appeared a column by Peter Osnos. The column is a fitting tribute to the exceptional abilities demonstrated by Mr. Bunker who contributed, in no small measure, to this Nation pulling through some critical events in Southeast Asia which could have ended in disaster had they been handled less skillfully or artfully.

I ask unanimous consent that the column be printed in the RECORD.

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

ELLSWORTH BUNKER, PRESIDENTIAL MEDIATOR

(By Peter Osnos)

At a time when diplomats, even very senior ones, have trouble being heard much less heeded, Ellsworth Bunker's talent in six years as U.S. ambassador to South Vietnam lay in getting his views across to Presidents: Lyndon Johnson and then Richard Nixon in Washington and Nguyen Van Thieu in Saigon.

For Bunker, who finally left Saigon this week, was far more than a message bearer or the administrator of the United States' largest overseas mission. He was by presidential direction the highest-ranking American on the scene, responsible for the overall command of the massive U.S. military and diplomatic presence. And that authority remained intact despite changes in Presidents and policies, at home and major crises in the war. In time, Bunker's influence was enhanced even further by seniority; he stayed in South Vietnam longer than any other top level official in the two decades of American involvement there.

What was Bunker's art? To some extent, it was in his manner. He seemed an unflappable man, brisk in the wilting afternoon sun and just as cool in the heat of events. No matter how badly things seemed to be going at any moment and no matter what his private anxiety over the state of military affairs or his personal discouragement with political events, Bunker concealed his dismay. The Vietnamese press and some of the younger officers in his embassy invariably referred to him as "The Refrigerator."

This special skill enabled Bunker to keep the lid on through a series of crises: the great Communist offensives of 1968 and 1972; the collapse of the South Vietnamese presidential election in 1971 and President Thieu's balkiness at every step along the way to a settlement. And throughout, Bunker artfully balanced the conflicting pressures for withdrawal at home with a growing South Vietnamese uneasiness about their future prospects.

He was one of the principal advocates of Vietnamization, believing that it was essential for the South Vietnamese to take on the burden of their own defense. But at the same time, he saw the need for firm U.S. military action, such as the bombing of North Vietnam last spring, as a means of keeping up South Vietnamese morale. Consistently, one of Bunker's major roles was to reassure both Thieu and the administration in Washington that the other was standing fast.

In fact, his own deeply held belief, judging from interviews I had with him periodically beginning in the fall of 1970, was that a non-Communist South Vietnam—and specifically one led by the Thieu regime—could hold out while the United States disengaged and very possibly emerge in the aftermath as a viable nation-state. That position made him a decided optimist among Vietnam experts.

Bunker's overall hopefulness about the long term survived even his disappointment with the authoritarianism in Saigon that supplanted the democratic stance Americans had been urging as justification for our involvement. Bunker apparently never waiverd from the conviction that Thieu, who became president shortly after the ambassador arrived, represented a stability vital to U.S. interests regardless of the cost in principle.

In his embassy, there were those who felt Bunker was out of touch with the situation in Vietnam, despite the vast amounts of information collated for him by American military and civilian analysts. They say he consistently underestimated the Vietnamese people's frustration over the abuses of power by the Thieu regime, particularly the corruption that one old hand called "the cement that holds the government together." These critics contend that the courtly Bunker softpedalled in his dealings with Thieu, failing most notably to prevail on the president to allow a genuine election in 1971.

In that connection, and presumably in his own defense, Bunker was fond of telling one particular story that provides a rare glimpse into the dealings between the secretive Thieu and the discreet ambassador: As early as June of 1971, Bunker recalls, when the South Vietnamese National Assembly passed a government-backed election law that was to eliminate one way or another all of the president's challengers, he sent to Thieu and warned him that he would end up running alone—a major embarrassment. Among other things, Bunker told Thieu, such a development could cause complications in the U.S. Congress.

"He practically guaranteed me that Gen. Duong Van (Big) Minh would run," Bunker said in an interview the following fall. "When I thought it likely he wouldn't, he told me I just didn't understand the Asian mind." A few weeks later Minh withdrew and Thieu ran alone.

What this anecdote confirms is that while Bunker may not have borne down on Thieu, he was at least able to haggle with him—something Dr. Henry Kissinger gave up after his visit to Saigon in October when Thieu raised substantial objections to the prospective peace plan. Aides to Thieu told Bunker they were suspicious of Kissinger's motives and wouldn't deal with him.

In the frequently troubled Saigon-Washington partnership, such tensions were not unusual and Bunker's most substantial achievements in Saigon were probably those of a mediator, rather than those of a prodder or a sharp-eyed interpreter of social change. That was not surprising. In his 22 years as a diplomat—he had already had a 30-year career in the sugar business—many of Bunker's finest moments came as he served as the head of the three-man Organization of American States team in the Dominican Republic during the 1965 factional trouble there. And before that, in 1962, he was involved in forestalling a war between the Netherlands and Indonesia which were then feuding over Dutch New Guinea.

Ellsworth Bunker left Vietnam with the outcome there still uncertain. But unlike so many Americans on the scene or in Washington he had the satisfaction of seeing his own views prevail more often than not on the central questions of how to end this country's involvement in the war.

DE SALES HARRISON

Mr. PERCY. Mr. President, I do not ordinarily make a statement on the Senate floor about the loss of a dear, personal friend, but today I am making an exception and would like to use this occasion to mention the loss of De Sales Harrison, who died peacefully in his sleep on February 20 of this year at his home in Chattanooga, Tenn.

For several decades, we served together as part of a small group of businessmen, all of whom were members of the American Society of Corporate Executives. We met twice a year, for several days at a time, exchanging ideas and viewpoints, describing our experiences in "round robin" format. The basis of our meetings followed the adage that when two people each have an idea, meet, and exchange ideas, they each go away with two ideas.

De Sales Harrison was a great human being. He exemplified the finest of business ethical standards. He loved the business community and every aspect of business activity. He was a fine athlete—a lifelong tennis player—was devoted to his wife, Virginia, the members of his family and friends and contributed generously of his time and energy to cultural pursuits, business organizations, philanthropic endeavors, music, and the arts. At age 73, he had contributed as much to society as any businessman I knew. Those who knew him well felt—and hoped—that he would be endowed with many more years of productive life.

De Sales Harrison assumed the presidency of the Coca-Cola Bottling Co. (Thomas), Inc., which has had the bottling franchise for 13 seaboard States for many years, and whose profits through the years have gone into a charitable trust. He served also as president of the Chamber of Commerce in Chattanooga, headed the United Fund Campaign, was a leader in the drive to build Memorial Hospital, and was president of the Red Cross and of the Community Foundation. He was an active supporter of the Hunter Museum of Art and the Chattanooga Symphony. He headed campaigns to improve the quality of schools through bond issues, even though he had no children in public schools at the time. He had a reverence for education and felt that every child had a right to high-quality education.

He was a Southern gentleman in the greatest tradition of that term. He was hard working and devoted to every enterprise with which he became associated. He was kind, gracious, and thoughtful to everyone, regardless of their status in life. He was a true friend and a loving family man. He knew what friendship meant in life and he epitomized its finest elements. We shall all miss him greatly. But his example and outlook on life shall always remain with me and have a continuing influence on my own life.

THE FAILURE TO RESTORE CONSTITUTIONAL GOVERNMENT IN GREECE

Mr. PELL. Mr. President, it has now been 6 years since the legitimate democratic government of Greece was overthrown and power seized by a junta of military officers.

Despite the repeated promises of the military junta, headed by Colonel Papadopoulos, there has been no restoration of constitutional government in Greece and no significant movement toward restoring the guarantees of individual rights and liberties in a country that was

the historic birthplace of Western democracy.

Instead, we have seen an elaborate, continuing effort by the ruling junta to paint a glowing picture of conditions in that country—efforts to convince the world that the people of Greece do not care about constitutional government, that the people have never been happier nor the country more prosperous.

In recent weeks, however, there have been new indications that there is strong opposition within Greece to the military junta.

Despite the history of sometimes brutal oppression of opposition by the junta, four retired generals of the Greek army in March had the courage to send to Prime Minister Papadopoulos a letter, later made public, calling for a speedy return to free democratic government.

In this remarkable letter the army generals warned that continuation of military rule threatened to demoralize the army, and indeed threatened the destruction of the country itself.

Mr. President, although the army generals addressed their letter to Prime Minister Papadopoulos, it also contains a message that should be of deep and direct concern to the United States in its relationship with the Greek Government.

The generals express the view that apparent U.S. support of the military junta has led to "an increasingly anti-American spirit" among the people of Greece. And because of this, the generals observe,

> The leading power of the free world can be considered unfortunately as not respecting the moral and ideological principles of NATO, and as being self-interested. And we fear that already the faith of the Greek nation in its old ally is severely shaken.

Mr. President, it may be too much to hope that Prime Minister Papadopoulos will take heed of this advice, courageously given by patriotic fellow-countrymen. I would hope, however, that our own Government in the United States, even at this late hour, will carefully review the potentially disastrous consequences of policies which have at least the appearance of supporting the continuation of the existing military government in Greece.

On April 22, 1 day after the sixth anniversary of the military coup, the former Prime Minister of Greece, Mr. Constantine Karamanlis issued a statement urging the restoration of constitutional government in Greece while time still remains to do so without violence.

Mr. Karamanlis, in his statement issued in Paris, urged the military government to "call back the King, who is the symbol of legitimacy, and hand over power to an experienced and strong government. Such a government would assume extraordinary powers for a limited period, and in an atmosphere remote from passion or a desire for revenge, would create the conditions permitting democracy to function in Greece."

I believe Mr. Karamanlis has offered an excellent suggestion for a means of restoring a legitimate, constitutional government to the Greek people.

Mr. President, I ask unanimous consent that the text of the letter sent by the four retired Greek Army generals, an editorial on the subject from the New York Times, and a summary of the statement issued by Mr. Karamanlis be printed in the RECORD.

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

AN HISTORIC LETTER

Four of Greece's highest ranking Generals, retired before the Coup of 1967, sent the following letter to Greek Prime Minister G. Papadopoulos in March 1973. No reply was given to the letter. This text has been published in the monthly review 'Politika Themata'.

For six years already the country has been governed—after the suspension of its free democratic institutions—by a government established by means of a military coup and consisting basically of officers. A great number of other officers hold and control the administration of the majority of public undertakings organizations and foundations. The Armed Forces thus appear to be imposing this regime, regardless of the fact that most officers have not the slightest responsibility for the creation or maintenance of the situation.

We believe that in the present circumstances the discussion of the motives, methods and justifications of this action and situation is neither profitable nor possible. We former leaders of the Armed Forces, not motivated by passions, not being bound by former political ties, feel it to be a necessity and a duty to express our opinions and our anxieties concerning the consequences which might result to the Armed Forces and our allies in NATO from the continuance of the present irregular situation.

One of the chief factors in the battle-worthiness of the Armed Forces is the spirit of the young men serving in the Army. We know, (and history proves this to be so) that the lengthy continuation of any government in power inevitably brings deterioration and leads to dissatisfaction. When there is no outlet for this dissatisfaction through legal democratic procedures, when civil liberties have been destroyed, then the dissatisfaction is transformed into indignation and hostility against the men in power. This is truly disastrous when the Armed Forces are considered as constituting or supporting the regime; for then it is the Armed Forces who lose the affection, the esteem and the confidence of the people, that is to say, their chief moral support. As a result of this the morale of the young conscripts is weakened, they may become anti-militarists, the more so having had no personal experience in the past, they could be led astray by the anarchy that lies in wait.

Another of the principal factors of the battle-worthiness of the Armed Forces is the moral strength, the education and the character of their officers. We are afraid that if the present situation continues, a distorted view of their position, their responsibilities and their mission will prevail among these officers, as well as inadmissible habits and tendencies, such as their permanent participation in politics, their control of national and public life and their arbitrary government of the country.

Besides this, the recognition of the officers as constituting authority, as supporting the regime and thus, necessarily, as tolerating it, will in time lessen spiritual unity, solidarity, mutual trust; it will act destructively on rank, on discipline, as on the objective criteria of the officer's career.

This situation if allowed to continue, will create a permanent distortion in the character-training of officers and put their traditions, their virtues, and their moral force to severe test, in spite of their admitted worth and their faith in their national mission.

Referring now, to the NATO alliance, we note that an increasingly anti-American spirit has spread among the people as a result of the belief—be it right or wrong—that the government of the U.S. supports the regime in our country, to the clear advantage of its own national interests. The importance of this fact is obvious. The leading power of the free world can be considered unfortunately as not respecting the moral and ideological principles of NATO, and as being self-interested. And we fear that already the faith of the Greek nation in its old ally is severely shaken.

In the same way the peoples as well as the governments of many of the NATO countries, out of respect for the above principles, demonstrate their displeasure with our regime, a fact which brings progressive weakening of the links of our country with most of our allies, and also of some of them with the U.S. Also the above have consequences on the supply to our country of military help from NATO states. And while an allied country refuses to contribute help, we on the other hand reject the supply of arms in order to establish the 'fact' that this help does not give to the supplying country any right of criticism.

The conclusion of all this is clear: The continuation of the present regime is inadmissible. We consider therefore that it is essential to create immediately the conditions necessary to lead the country back speedily to free democratic institutions by irreproachable means, with the cooperation of the necessary, legal and competent agents.

Only thus, we believe, will a new danger be forestalled, the creation of a new irregular situation which would lead to the destruction of the country—as you yourself emphasized in your speech.

ATHANASSIOS FRONTISTIS,
IOANNIS PIPILIS,
Chief of the Joint General Staff of the Greek Armed Forces.
DIMITRIOS SIRADAKIS,
PETROS SAKELLARIOU,
Chiefs of the General Staff of the Greek Army.

[From the New York Times, Apr. 18, 1973]

WARNING TO THE COLONELS

Greece's military dictatorship has received a stern rebuke and an admonition to return the country to democratic rule from an unexpected but significant source. Four retired generals who have held highest positions in the Greek armed forces have warned Premier Papadopoulos that his regime "is no longer permissible," and called on him to "create immediately" the conditions for a return to "free democratic institutions."

Two of the four served as chairman of the Joint Chiefs of Staff and represented Greece on the NATO Military Committee; the other two were Army chiefs of staff. None was involved in the 1967 coup that overthrew a constitutional government and brought Colonel Papadopoulos to power, none had previously spoken out publicly against the regime. Their letter expressed concern that continuation of military rule would turn Greeks against the armed forces and the United States.

"Rightly or wrongly," it said, "the people feel that the United States supports a regime which grew out of a coup d'état and which fails to respect the moral and ideological principles of NATO." The letter was published to coincide with the sixth anniversary of the coup Saturday, when Mr. Papadopoulos will address the nation. It also coincided with fresh charges of torture of political prisoners and the regime's flat refusal to discuss these with investigators for international organizations.

Amnesty International recently charged that six lawyers, arrested and held incommunicado for more than a month after four

of them had represented student demonstrators, were suffering "unbearable torture." Charging "unacceptable interference" in Greek affairs, the regime refused to discuss the matter with Morris B. Abram and William J. Butler of New York and Prof. John P. Humphrey of McGill University, representing the International Commission of Jurists and the International League for the Rights of Man.

It will be interesting to see whether Colonel Papadopoulos can reject so easily the warning of four of the most respected officers to serve Greece's armed forces in recent years.

SUMMARY BY MR. KARAMANLIS

Greece's former Prime Minister, Mr. Constantine Karamanlis today urged the military government in Athens "to call back the King, who is the symbol of legitimacy, and hand over power to an experienced and strong government. Such a government would assume extra-ordinary powers for a limited period and, in an atmosphere remote from passion or a desire for revenge, would create the conditions permitting democracy to function in Greece. Thus within a short period of time the sovereign people would be able to freely decide its own future."

Such is the conclusion of a long statement issued by Mr. Karamanlis from Paris, where he has been living for 10 years now, in reply to Mr. Papadopoulos who in a speech the day before yesterday hailed the 6th anniversary of the 21st April 1967 coup d'état that brought him to power.

Mr. Karamanlis is the politician who gave Greece stable and democratic government longer than any other person. He was breaking a silence of almost 3½ years not only to deplore the present situation in Greece but also to set out his vision of a Greece inside the European Community and with a new generation, one that bears no responsibility for the faults of the past, playing a leading role in his country.

Mr. Karamanlis castigates the Athens government for a series of acts and omissions which indicate clearly that despite its repeated promises it has no intention of restoring democratic order in Greece. As examples he mentions the constitution of 1968 which the government imposed but has subsequently avoided putting into operation for over 4 years; the legal restrictions, illegal threats, and economic blackmail exercised against the press; and the systematic attempts to prevent Greeks freely associating amongst themselves, of which the most recent and dramatic example was the trickery practiced on Greek students and the falsification of the results of the student committee elections. Mr. Karamanlis emphasized that this was the cause "of the recent student uprising, an uprising based on moral principle, for which the government itself was responsible and which it subsequently attempted to suppress, by means that were not just illiberal but also of unprecedented brutality."

Mr. Karamanlis mentioned that although the government forbids political activity to the people, it is attempting to set up pseudo-political organisations, in addition to the well-known "Consultative Committee" which it brought into being as a sort of party organ, even though it is not mentioned in the 1968 constitution.

Mr. Karamanlis acknowledges that a number of well meaning foreigners have been genuine victims of the deceit employed by the present Greek government, but he makes a distinction in the case of the American Administration which, he says, "even if it does not actively co-operate in the deceit being practiced against the Greek people, obviously chooses to be the victim of a deceit practiced against itself, so as to be able to justify its contradictory policy."

With the student young showing the way, a great majority of the Greek people, says Mr. Karamanlis, are no longer simply uneasy, but actively hostile to the military government, which however, appears to be satisfied simply because it succeeds in clinging to power. This situation however, is exposing the Greek nation to many dangers as for instance the following:

The moral blow that has already been inflicted to both the prestige and the unity of the Greek Armed Services as a result of the regime's claims that it is ruling in their name;

The first cracks in Greece's economic position, resulting from a consumption oriented economic policy and the high rate of borrowing, that have overstrained the productive potential gradually built up in previous years;

The complete disarray in Greece's educational and administrative system. The state, caught between the public services' fear of taking responsibility and the rampant favouritism of the ruling group, has become an enemy of the citizen and a barrier to progress. The crisis inside the Greek Church is now clear for all to see;

The threat of a civil war in Cyprus which the Greek government would have been able to avoid if it had aligned itself "decisively with the legitimate government of the island." By its policy of inaction it is in fact encouraging the insurgency there; and

The most serious danger however, is that Greece may be finally cut off from Europe. As Prime Minister of the country at the time when the Association agreement with the E.E.C. was concluded, Mr. Karamanlis emphasised the great benefits to Greece of her entry into a united Europe, which has now been set at risk because of the nature of the present regime. "Greece would not only have achieved an equal standard with Europe in economic and social matters but would have ensured her national security in the long term."

Mr. Karamanlis then underlined the great moral issue arising from the abolition of the liberties of the Greek people which is reducing them to the level of backward states, recalling the honours paid to the tyrant-killers, Harmodius and Aristogeiton in ancient Athens, he emphasised that even were there widespread prosperity in Greece today, this could never compensate for the loss of Greece's liberty.

Mr. Karamanlis believes that "Greece has both the duty and the capability to create a modern, progressive and responsible democracy which would combine liberties with social justice and order, a democracy with both the strength and the desire to initiate bold reforms in all sections of national life."

Finally, Mr. Karamanlis warned the military government that in the absence of support from the people it will not be possible for it to succeed by means of the sort of faked solutions which it seems to be preparing. "The government cannot fake elections without running the risk of widespread bloodshed in our land." He adds that even if the government should attempt such a course "nobody whether in Greece or abroad will recognise the results. Thus the present illegitimate situation will continue, but under conditions even worse for the government."

Repeating the advice he had on a previous occasion given to the military government that it should of its own free will hand over power to an administration which would undertake to lead the country to democracy, Mr. Karamanlis acknowledges that there is very little time left for this to occur before "it becomes too late for both the military government and for our country."

ISRAEL 25TH ANNIVERSARY

Mr. JAVITS. Mr. President, my distinguished friend, the junior Senator from Massachusetts recently delivered an excellent address commemorating the 25th anniversary of the State of Israel. In his remarks, Senator BROOKE outlined both the accomplishments of Israel and the difficult tasks that must be confronted by Israel and the United States in seeking a just peace in the Middle East. I commend the speech to the Senate and I ask unanimous consent that it be printed in the RECORD.

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

REMARKS OF U.S. SENATOR EDWARD W. BROOKE

I am deeply honored to join in this 25th Anniversary celebration of an ideal that is maturing into a reality. The existence of the state of Israel fires the imagination of all those who deeply desire freedom from oppression and justice for all mankind. Through the tumult of war and the constant struggle with the elements of nature, Israel has retained the ability to inspire and motivate men to uncommon heroism and sacrifice.

There is in my own make-up, my own history of aspiration, a warming counterpart of the story of Israel itself. Growing up in America where the long struggle for equality of opportunity has seen so many enduring friendships shaped by the fraternity of those so firmly committed to freedom for all, I have been more than a sideline observer of Israel's miraculous rebirth, her stunning growth, and her astounding ability to defend herself against powerful odds. I could not possibly be unaware of the severity of denial of economic, spiritual, legal, and political rights that drove the Jews of Eastern Europe late in the 19th century and early in the 20th century to vow to return home. Exodus and exile, deprivation and scorn, the all too-searing knowledge of life as an outsider—these are not strangers to me as surely as they are an integral part of your own saga of generations. We are all Israelis here tonight.

America soon shall pass a milestone equal in years to eight times the occasion we commemorate this evening. To mark that American Bicentennial well, it would benefit us all to grasp the true meaning of the Israeli experience of a limited number of years but unlimited achievement. It would be salutary to all Americans preparing for the 1976 observance to recall the long, painful, harsh road back to nationhood that the Jews of the world have marched with such anguish and yet in such honor. Interwoven in that heroic journey are the resolutions not only to return to sanctified soil but to till it.

Many have returned to that sanctified soil including 30,000 Soviet Jews during the past year. These are but the first wave, for we know that additional thousands also hunger to join their brethren in Israel. It has been a source of joy and satisfaction to me that Congress has a very substantive contribution to the success of this repatriation.

The Jackson Amendment which would bar most-favored-nation status and U.S. credits from nations which deny their citizens the right to emigrate and which impose more than nominal exit fees was the lever which helped to open the door which had been locked for too long. I was and I am proudly a co-sponsor of that amendment. Because of the support it has received in both the Senate and the House, the President has, in recent days, been able to report that the USSR has begun to waive those obnoxious exit fees. Let me assure you that Israel's friends in the Congress will not relax their vigil until every Jew in the Soviet Union who wishes to emigrate has been allowed to do so.

The true story of modern Israel is one of men and women committed to the ideal of freedom to build a new Jewish society. It is a story of people willing to place their lives and fortunes in service to this ideal. Devotion to the ideal was forged in the crucible

of persecutions suffered over centuries. It was nurtured through the dark and hideous days of World War II. It received its tangible expression at midnight, May 15, 1948, when the modern state of Israel came into being. And for the past 25 years the struggle for its full realization has continued.

Israel's leaders have always recognized that the achievement of this ideal could not be attained by the power of the sword. David Ben Gurion spoke wisely when he said: "Israel was not created to be a Jewish Sparta; and it is not by military heroism that it will win the admiration of people but by the radiance of our achievement." It is one of the great tragedies of a quarter of a century of conflict in the Middle East that Israel's myriad achievements in the arts, the sciences, education and social welfare have been overshadowed by the necessary military prowess Israel has had to exhibit. Compounding this tragedy is the fact that if war had not intervened many of Israel's advances could have been expanded for the benefit of all the inhabitants of the Middle East. Hopefully, in the not too distant future, this will in fact occur.

While the type of society desired by Israel cannot be achieved by the sword, neither can it be attained without adequate territorial and military security for Israel. Such security is a prerequisite for any successful resolution of the Middle East conflict. Premier Golda Meir has stated the minimal level of security Israel must have in these words: "We want boundaries whose very character will make aggression less inviting to any would-be invader, and which could be defended with fewer casualties if such aggression nevertheless took place." Who, seeking a just solution to the conflict, could gainsay the right of Israel to such security? No government could demand less than this in fulfilling its responsibilities to its citizens. Nor can anyone expect that Israel should accept less than this in any negotiated settlement.

Ensured of its right to a secure existence, I believe Israel would be magnanimous in its dealings with the Arab states. The Israelis desire to be generous and life-serving neighbors to the Arab peoples. Israel knows full well that fulfillment of its own ideals is intimately intertwined with fulfillment of the aspirations of the Arab peoples. Israel cannot escape this inevitable linking of destinies; nor do I believe that she wants to.

What is the role of the United States in helping to bring about conditions conducive to the fulfillment of the just aspirations of both Israel and the Arab states? First and foremost, the United States must continue to ensure that the military balance in the Middle East remains in equilibrium. Clearly, any significant alteration of this balance would endanger the fragile ceasefire that now exists in form, if not completely in substance.

The United States must also continue to support the Israeli's demand for secure and inviolable boundaries. Without such boundaries no workable solution to the conflict can be found .

The United States should continue to deal with the issue of terrorism on an even-handed basis. One-sided accusations of guilt and simplified cause and effect generalizations are not the substance from which will be formed an aedquate capability to deal with terrorism in the Middle East. This issue is far too complex and far too serious for easy answers to be of much help.

The United States should continue to encourage Israel and the various Arab states to seek some interim agreements, either on a legal or de facto basis, on such issues as the re-opening of the Suez Canal. It is certainly apparent that immediate and major breakthroughs are not likely in the situation. A building-block approach leading to a cumulative beneficial effect of a series of interim agreements offers the greatest hope for a final successful resolution of the conflict.

Finally, I believe the United States must continue to adhere to the view that a settlement imposed from the outside would do nothing more than create the setting for further conflict. It is only through the development of some form of trust between Israel and the Arab states themselves that a workable solution will be found. The parties to the conflict must be the source of the actual initiatives leading to peace.

These, then, are the principles that should govern U.S. policy in the near future vis-a-vis Israel and the Middle East. They are principles that offer the best opportunity for the United States truly to help Israel and the other states of the Middle East realize the meaning of the beautiful yet simple Jewish word "shalom". Hopefully, in the near future as we meet once again to commemorate the birth of Israel, we will also be gathering to give our thanks that peace has been achieved.

GREEN THUMB

Mr. HARTKE. Mr. President, one of the major responsibilities of our society is providing for the needs of this Nation's older citizens. We find among this group many displaced persons who still strive to be active and productive members of society.

There is one program which has made a successful effort to reach out to these people and utilize their talents. Green thumb, a Federal work program, has given rural older people a new sense of pride and an extra income many so desperately need. The communities which have benefited from their work have also witnessed older people who once again feel that they are needed.

Mr. President, I ask unanimous consent that an article about the green thumb program which appeared in "Bond," the Lutheran Brotherhood magazine, be printed in the RECORD.

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

UP FROM RETIREMENT

(By William Hakala)

MOUNTAIN VIEW, ARK.—Willy Morrison's amphitheatre will seat 800 people without crowding. Its rock-hewn tier rise upward and outward from a center stage that is set against a wooded hillside. Cedar and dogwood trees shade the terraced benches and line the banks of the creek which separates stage from audience, then gently courses out of view beneath an arched stone bridge. The men from Green Thumb built it. Their average age—69.

"Boy, they've got a pride, I'm telling you." Job foreman Willy Morrison likes to boast about his Green Thumb crew and talk about what this project has meant to them. "They're back in society again, back living again," he explains. "They're doing something that will be around after they are gone."

Green Thumb was launched in 1965 by the federal government as a work program to alleviate poverty among the nation's rural elderly poor, many of whom subsist on pittances of $60 a month. The average income per couple is $900 a year. Now, some 3,500 of these retired low-income Americans are finding new hope and a measure of properity through Green Thumb. The program operates in 25 states and would undoubtedly expand to others if more funds become available.

Green Thumbers work three 8-hour days per week. At $1.60 an hour and can earn up to $1,600 in a year. It is an annual income level that does not disqualfy them from Social Security benefits. Many Green Thumbers receive only the minimum retirement benefit, which at age 65 is $84.50 a month; $67.50 if claimed at 62. Farmers are especially hard pressed in their "golden years" since they did not come under Social Security until the 1950s.

Green thumb is sponsored by the National Farmers Union, a membership organization of farm families, and operates under a grant by the U.S. Department of Labor as part of its "Operation Mainstream." Currently $9 million is annually budgeted for Green Thumb and two other Mainstream programs (Green Light, a work program for rural older women, is one of them; On-the-Job Training for young people is the other.)

To qualify for Green Thumb work, a man must be 55 or older, of rural background, in good health, and have a yearly income under $2,500 per couple. Although job applicants must pass a physical examination, there is no top limit on the age requirement. A good many of the men are in their eighties; the oldest Green Thumber is 96.

THE GIFT TO BE USEFUL

Willy Morrison is foreman of a Green Thumb crew at Mountain View, Ark., and the man who planned the amphitheatre project. The outdoor arena will get a lot of use the third week of April when 60,000 people from around the country come to town for the annual doings of the Hackensack Folklore Society. Hoedowns are held regularly here on Friday nights throughout the year. Morrison, whose formal schooling stopped after the sixth grade, "saw" the amphitheatre in his mind when the hillside was a tangled thicket, and knew instinctively how to shape it into the sculptured landscape that it is. "If you live all your life out in nature, it comes natural." Morrison explains.

Sixty-five years old, Morrison is a medium-sized man, trim and loosely put together. He shades his square, tanned face with a white cowboy hat. An expert rock worker, he also is a gifted musician and once played his fiddle on the Senate floor in Washington as a Green Thumb promotional stunt. Now, looking out over the amphitheatre his men built, Morrison talks about the accomplishment with a kind of country eloquence. "There's an unlimited stockpile of skills stacked in those old boys."

Working in seven-man crews, Green Thumbers clear roadside recreation sites, build picnic tables and toilets, cut nature trails, plant trees, pull debris out of rivers, and construct ball park bleachers and dugouts. It is work requiring building skills, patience and plenty of stamina. These are qualities Green Thumbers seem to have in abundance.

If it can be said of anyone that he thrives on work, it can be said of the Green Thumber. Most of them have spent their lives doing hard physical labor, and it has become a habit. According to one of the program's regional directors, "Rural people have the work ethic built into them so strong they will starve before they take a relief check." Crew foremen are instructed to enforce ten minute rest periods every hour of the work day, especially during hot weather. Usually the crews have to be told to take a breather.

AN INDEPENDENT SPIRIT

"Let me ask you something," one Green Thumber queried, his head reared back and eyes narrowed to a rifle sight squint. "Weren't you rather us old bucks was working out here than on food stamps?" Bee Slape belongs to a crew that works near the town of Jasper in northwestern Arkansas, completing a roadside rest area for motorists. The site his crew has slashed, sawed and chipped from this Ozark mountainside is one of rugged beauty, looking out upon mile after mile of wooded flintrock hills. It might be

what cartoonist Al Capp had in mind when he created "Dogpatch." Here, real-life hamlets have names like Booger Hollow, Hog Skald Hollow, and Yellville, the site each year of a national turkey-calling contest.

It is hard, densely thicketed terrain and to develop the roadside areas with hand tools is a test for the sturdiest and most patient of men. Walter Haddock, 72, the sinewy foreman of the Jasper crew, takes special pride in the work his "boys" have accomplished. "Did it all with crosscut saws and axes," he points out. "Wouldn't let us use chain saws because they thought we might hurt ourselves."

Haddock's comment hints at a sore spot among Green Thumbers, and that is the prevailing attitude in our culture toward the abilities of anyone "over the hill." Like old railroad ties, old people have been up-bedded, they feel, and thrown to one side to weather into dust. These men, independent of spirit and proud of their ability to work harder than the average man, don't like it a bit.

The old-timers prove their worth wherever they go. "We'll work 'em down," challenged one testy Green Thumber when a group of disadvantaged youngsters was hired by a boys' club organization in Hot Springs to assist the Green Thumber crew on a summer work project. And work them down they did. "Those rascals work," said the boys' club director of his Green Thumb help. "But the kids, you have to stand right there or it doesn't get done."

The Green Thumb project in Hot Springs offers a typical example of how the program operates. Green Thumb is funded exclusively to provide labor. Materials needed for any job must come from local sources—private donors, fund raising proceeds or government agencies. In the case of the boys' club project in Hot Springs, lumber for renovating its crumbling headquarters was donated by the Weyerhaeuser organization. Lockers, which the men straightened and painted, were received free from one of the many bath houses for which Hot Springs is famous; bleachers for the gym came from an old Jack Dempsey training center.

Almost any group or organization can get Green Thumb help if crews and materials are available—provided the project is for the public good. State directors of Green Thumb make this determination.

MORE THAN PICKING UP BEER CANS

"A lot of people think that Green Thumb is for cutting weeds and picking up beer cans," observes But Witter, a Green Thumb supervisor who formerly was with the Arkansas Highway Department. Perhaps the image arises in some areas of the country because highway departments were among the first to recognize the value of Green Thumb. The Arkansas State Forest Service was another early sponsor of the program. In the Ouachita National Forest, Green Thumb crews helped make hiking trails. One of them, built especially for use by the blind, is called the "Braille Trail."

On local and county levels, Green Thumb crews have been busy throughout the state. Down in Arkansas City they renovated an old opera house; at Murfreesboro they built a swinging foot bridge; in Polk County they constructed an 8-unit camp facility; at Russelville they created a Little League ball park complete with bleachers and concrete dugouts. In Montgomery County, 56 timber bridges had washed out during spring floods and Green Thumbers replaced them with reinforced concrete bridges. At Blanchard Cave, not far from Mountain View, a Green Thumb crew built a half-mile long rock-walled path leading up to the cave entrance. Down in the delta region of the state, Green Thumbers built a wooden walkway out over a mangrove swamp to a stone survey marker commemorating the Louisiana Purchase.

THE VIGOR OF AGE

An important characteristic of Green Thumb is the quality and quantity of work that is performed. Green Thumbers put something special into their efforts. That "something special" is pride. Workers who had come to believe that life was over for them join a Green Thumb crew and discover in themselves long forgotten abilities, and sometimes unsuspected talents.

One of the most heartening results of Green Thumb is that doctors report that the health of the workers usually improves after working for Green Thumb. The Green Thumbers themselves report they feel better after going to work for Green Thumb.

One man told about being unemployed for five years because of poor blood circulation. But after joining a Green Thumb crew in cutting brush and planting trees along roadsides, his health improved so much he was able to take a job as a year-round worker in a town park. Another man, told by the examining physician that he could take a Green Thumb job only if he agreed to take a stomach medicine the doctor prescribed, soon found that he didn't need the medicine anymore.

The wife of a Green Thumb worker credits the program for changing her husband's attitude toward life. In retirement, he had grown grumpy, quarrelsome and hard to live with. Now there is spring in his step as he walks out the gate three mornings a week to his Green Thumb job, lunch pail in hand. "It's just like old times," she says, almost tearfully.

From all indications, Green Thumb is one of the government's most successful programs. It is providing older people with useful, rewarding work, plus the extra income many of them desperately need. Communities, too, benefit from the program when Green Thumb crews come in to tackle jobs for which there simply is no budget.

If Green Thumb did nothing more than give older people a dash of their former independence and a relief from boredom it would still measure up as a valuable program. Said one Green Thumber, age 87, with a wink of an eye, "Only reason I'm working is to save money for my old age."

Mr. HARTKE. Mr. President, I am especially proud of the Indiana Green Thumb project under the sponsorship of the Indiana Farmers Union. This project, which is in its eighth year, has provided growing benefits to the rural areas of my State.

Indiana was among the first five States to have a Green Thumb project when that effort was begun in 1966. In Indiana, in 1972, the Green Thumb project operated in 22 counties—an increase of more than 100 percent since the project began.

Mr. President, I ask unanimous consent that excerpts from the annual progress report of the Indiana Farmers Union Green Thumb project be printed in the RECORD at this point.

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

INDIANA GREEN THUMB

As Green Thumb enters its eighth year of operation in Indiana, its impact upon the rural, southern areas of the state continues to grow. The benefits to communities, to the public, and particularly to the older men and women involved in the program have been tremendous. Mr. Bill Thomas wrote of Green Thumb in the Indianapolis Star Magazine. "They are actors in a grand drama that is inch by inch changing the face of America. All are senior citizens, men of experience and background who have weathered more than half a century on earth and are now spending their time improving it."

Green Thumb is a non-profit organization operating under a grant from the U.S. Department of Labor.

Sponsored by National Farmers Union and cooperating with a multitude of State and local agencies Green Thumb currently operates in 23 States across the country as well as Puerto Rico.

There are several million older low income people living in rural areas, who through no fault of their own cannot continue to farm or find other employment. Having poor prospects for work and often living in rural "pockets of poverty" these older farmers face years of deprivation for themselves and their wives and families.

Green Thumb is a project which employs older and retired low-income farmers and rural people to help conserve and beautify America. Green Thumb utilizes the experience and collective talents of the "Senior Generation" of rural Americans to carry out beautification and conservation projects along state highways, in city, state, and county parks, and in areas that cannot be properly taken care of by modern machinery. The response on the part of the low-income older and retired farmers, state highway departments, local agencies, and particularly the public has been most enthusiastic and generous.

Green Thumb began in 1966, with projects in five states, Arkansas, New Jersey, Indiana, Minnesota, and Oregon. In 1967 the program expanded to include Virginia and Wisconsin. Again in 1968 the program expanded to include seventeen states, Kentucky, Oklahoma, New York, North and South Dakota, Nebraska, Montana, Texas, Pennsylvania and Utah were added. In 1972, the latest expansion added Missouri, Ohio, Illinois, California, Florida, Kansas, Michigan, and Puerto Rico.

In Indiana, during 1972, the Green Thumb Project operated in 22 southern counties. The Indiana Green Thumb Project was initiated on August 1, 1966, with ten counties. Expansions in 1967 and 1968 resulted in twenty-two counties currently being served by the project. They are as follows: Posey, Gibson, Pike, Warrick, Dubois, Martin, Knox, Daviess, Greene, Lawrence, Sullivan, Washington, Orange, Jackson, Jefferson, Jennings, Brown, Bartholomew, Scott, Clark, Floyd, and Vanderburg. During 1972 the program employed 430 worker-trainees. All lower income older rural people.

In Indiana, the average annual income for the Green Thumb worker was less than $1,000.00 and the average age 67.4 years. The average dependents were 2.2 per worker. The oldest Green Thumber currently employed is 90 years of age.

The normal work week for the worker is 24 hours, working three 8 hour days per week. All workers are covered by Workmen's Compensation, Social Security, and general liability insurance. The worker is paid wages of $1.60 per hour with working crew foremen making $1.85 per hour.

Green Thumb provides its older workers with the opportunity to earn an additional $1,600.00 per year (maximum yearly wages paid to any individual by Green Thumb). This $1,600.00 will supplement Social Security, retirement pensions, annuities, farm income or income from other sources, in an effort to bring the worker's combined family income above the poverty level.

Green Thumb workers normally work in crews of 7 men, 6 men, and a crew foreman who is responsible for on-the-job supervision of the crew completion of time sheets, reporting of accidents, etc.

Evaluations have shown that Green Thumb is highly effective in aiding these men who are in deep poverty and prolonged unemployment to regain their dignity and purpose in life. Green Thumb is a pioneer effort to show the abilities and potentials of older and retired low-income farmers as employable workers.

In a survey taken on workers in the project, several interesting facts were revealed. Three strong points brought out in the survey were:

1. The retired individual has a strong desire to be constructively busy.

2. These men are interested in being involved in constructive community activities.

3. If possible these men are interested in making their own way rather than being given a handout.

Significant numbers of handicapped Green Thumb workers have been assisted through the services of Indiana Vocational Rehabilitation.

Through co-operative efforts with I.V.R. eye glasses, hearing aids, braces, and even artificial limbs have been purchased, providing opportunity for the older handicapped worker to again be useful and productive at home and in his community.

Green Thumb workers in Indiana have completed several hundred projects during 1972.

RESOLUTIONS OF THE LEGISLATURE OF UTAH

Mr. BENNETT. Mr. President, I ask unanimous consent to have printed in the RECORD three resolutions by the legislature of the State of Utah.

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

H.J. RES. No. 2

A joint resolution of the 40th legislature of the state of Utah requesting the United States Department of Labor and the Congress of the United States to modify federal jurisdiction and standards applicable to child labor and grant to the states more latitude to modify labor laws to conform with the needs of youth

Be it resolvsd by the Legislature of the State of Utah:

Whereas, the conditions which prompted stringent protective legislation designed to interdict exploitation and abuse in the area of child labor have been largely ameliorated through the efforts of labor organizations and federal and state regulatory agencies; and

Whereas, increased vocational and apprenticeship training programs now available to young people better equip them to enter the labor market with confidence and skill; and

Whereas, existing federal labor laws restrict meaningful employment for many young people qualified for available employment and impose restraints upon states attempting to effectively provide employment for youth.

Now, therefore, be it resolved, by the 40th Legislature of the State of Utah, that the United States Department of Labor and the United States Congress consider modification of child labor legislation in order to provide states the opportunity to enact responsible labor legislation to provide more employment opportunities for qualified youth.

Be it further resolved, that members of the Congressional delegation from the State of Utah use their efforts to effectuate fruition of this resolution.

Be it further resolved, that the Secretary of State of Utah send copies of this resolution to the Senate and House of Representatives of the United States, to the Secretary of Labor of the United States Department of Labor and to each Senator and Representative from the State of Utah.

H.J. RES. No. 6

A joint resolution of the 40th legislature of the State of Utah requesting the President of the United States to immediately reinstate the rural environmental assistance program

Be it resolved by the Legislature of the State of Utah:

Whereas, by Executive Order, the Rural Environmental Assistance Program has been terminated by the U.S. Department of Agriculture;

Whereas, the Rural Environmental Assistance Program in Utah has assisted farmers in Utah with enduring-type practices to:

(1) Increase water use efficiency;

(2) Improve the efficiency and safety in water conveyance systems to farms;

(3) Control erosion and minimize the runoff from fields; and

(4) Minimize the pollution in streams from sediment, animal waste, and salt;

Whereas, the recent federal and state pollution regulations are placing an increased burden on farmers and the rural people in Utah;

Whereas, the policies of the federal government are aimed at improving the life and giving greater stability to the economy of rural areas; and

Whereas, the control of erosion and the maintenance of a quality water supply is vital to the health and welfare of all the citizens of the state;

Now, therefore, be it resolved, that the 40th Legislature of the State of Utah respectfully request the President of the United States to immediately reinstate the Rural Environmental Assistance Program, with adequate funding to carry out the objectives and purposes of the program, which past experience has proven to be of vital importance and benefit to all the people of the State of Utah.

Be it further resolved, that the Secretary of State send copies of this joint resolution to the President of the United States, the Secretary of Agriculture and to each member of the congressional delegation from the State of Utah.

H.J. RES. No. 30

A joint resolution of the 40th Legislature of the State of Utah, requesting a memorial to the Congress of the United States

Be it resolved by the Legislature of the State of Utah: That the Congress of the United States take without delay such action as necessary, including a Constitutional Amendment if needed, to preserve the right to life of unborn children and to forestall a wholesale wave of lifetaking abortions which could result from the recent decision of the Supreme Court.

Be it further resolved, that the Secretary of State send copies of this resolution to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States and to each member of the Congress from the State of Utah.

BARNET FAIN RETIRES

Mr. PELL. Mr. President, on Saturday, the 12th of May, Barnet Fain, chairman of the Rhode Island State Council on the Arts for 6 years, retired.

The National Foundation on the Arts and Humanities Act of 1965 had, as one of its main features, Federal support of State arts councils. Using this Federal basis, Mr. Fain and other interested Rhode Islanders acted swiftly to establish a broadly based and truly representative State arts council, one whose budget has grown to over $400,000 for this year. Indeed, the growth of the Rhode Island State Arts Council under Fain's direction could well be used as the typical story of the growth of the State councils nationally. Utilizing a mixture of Federal, State, and local funds, the budgets have grown to the point that, in the recently passed arts and humanities bill, we are providing for at least $200,000 per year for State arts councils.

Barnet Fain, who could truly be called one of the founders of the State arts councils movement, saw the need for a national forum to present the views of the State arts councils to Congress. He was one of the original founders of the North American assembly on the State arts councils and very deservedly became its president for 2 years. Under his guidance, the State arts councils, through the North American Assembly, have made their views known, and, indeed, have become one of the greatest supportive forces for Federal involvement in the arts.

On a personal note, Barnet Fain has been a long and close friend. His counsel, both privately and publicly when he has appeared before the Special Subcommittee on the Arts and Humanities of the Senate Committee on Labor and Public Welfare, has been most valuable. Indeed, as recently as last March, he appeared before the subcommittee in support of increased Federal support.

Barnet Fain's work with the Rhode Island State council on the arts and the North American assembly has not gained great headlines in the so-called voguish magazines of our country. Yet, he typifies the unselfish dedication which is making the arts and other cultural activities available to all citizens in this country, and not just to the privileged few. I regret that he must, by law, step down from his post, but I know that he will continue to work in this area. However, his retirement gives me this opportunity to pay tribute to someone who has worked to provide a richer life for all of our citizens. He has, as a volunteer, contributed to the quality of American life. I wish him well and express my warmest thanks.

THE AUTHORITY OF THE PRESIDENT TO CONTINUE MILITARY OPERATIONS IN CAMBODIA WITHOUT CONGRESSIONAL CONTROL

Mr. GOLDWATER. Mr. President, it was my great pleasure to appear before the House Subcommittee on Asian and Pacific Affairs today to address the question of the President's authority to continue military operations in Cambodia. I am delighted that the committee is making a deep study of this important aspect of the broader field of war powers, and I hope the hearings will stimulate a great deal of active and informed debate among the Nation's public.

It is my position, which I left with the committee, that if Congress should seek to order an end to all U.S. bombing operations in Cambodia, this action would nullify the intent of the Founding Fathers to place the direction of war in the hands of the President. I attempted to cite in detail several legal authorities which support my view of this question, as well as the pertinent historical background relating to the allotment of war powers by the Founding Fathers.

Mr. President, because my paper discusses a subject which is of such grave concern to the Nation, I ask unanimous consent that the text may be printed in the RECORD.

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

THE AUTHORITY OF THE PRESIDENT TO CONTINUE MILITARY OPERATIONS IN CAMBODIA WITHOUT CONGRESSIONAL CONTROL

I. THE EFFICIENCY OF CONGRESS ACTING AS AN EXECUTIVE

A. Washington's troubles with the Continental Congress

Mr. Chairman, on June 20, 1775, George Washington received his commission as General and Commander in Chief of the Continental Army. From that day forward, it was a constant struggle for Washington to overcome the obstacles put in his way by Congress.

Required by his commission "punctually to observe any such orders and directions" as he should receive from Congress, then clothed with the powers of an Executive, Washington was harrassed, second-guessed, and overruled on his military plans and strategy throughout the War of Independence.

It was Congress who persisted in continuing an unwise American invasion of Canada long after the project was doomed to disaster; it was Congress who ordered that Manhattan Island must be defended to the last, after Washington had instructed its evacuation, and thereby caused the useless surrender of 2,000 American troops; it was Congress who first established the Army upon a hapless system of local militia who came and went every month rather than furnishing Washington with a permanent force.

It was Congress who appointed Gates, recently exposed for plotting against Washington, as commander for the Southern Department instead of Greene, who was Washington's first choice. The result was an immediate disaster. In his very first battle, Gates lost the entire American army in the South.

And, yes, it is Congress who must be held accountable for the tragedy of Valley Forge. In August of 1777, Congress threw out a military commissary general chosen by Washington and itself assumed complete charge of the commissariat. Separated from the military organization of the Army, the commissary department suffered a total breakdown. The entire want of clothing, food, and blankets grew into tragedy as the cold weather came on. A prominent military historian has written: "The amount of harm, caused by the unwise military control usurped by Congress, can only be measured in terms of the appalling sufferings of the American soldiers at Valley Forge, which Washington was powerless to prevent." T. Frothingham, Washington Commander in Chief 234 (1930).

There are some in Congress today who would have us revert to this discredited system. They propose that Congress shall dictate when and where, for what reasons and for how long, the United States can wage military operations. They would control by legislation how many American troops can be stationed in particular areas of the world, and even when United States forces shall withdraw from ongoing hostilities.

B. The framers intended to prevent a recurrence of the interference Washington experienced

But, Mr. Chairman, this is exactly the system which very nearly led to disaster during the Revolutionary War. For that reason it was repudiated by the Constitutional Convention. The Founding Fathers had witnessed at first hand the inefficiency of the legislature interfering with military operations. They made up their minds that the new Government which they formed would have a Comamnder in Chief who possessed real power.

This explains why they designated the President to be Commander in Chief. By this decision, Charles Evans Hughes wrote, the Framers planned to create "a union which could fight with the strength of one people, under one government intrusted with the common defense." "The prosecution of war," he said, "demands in the highest degree the promptness, directness and unity of action in military operations which alone can proceed from the executive." Hughes, *War Powers Under the Constitution*, 85 Cent. L.J. 206, 209 (1917).

Thus, did one of the great Chief Justices echo the words of Alexander Hamilton, who wrote in the Federalist No. 73, that, "Of all the cares or concerns of government, the direction of war most peculiarly demands those qualities which distinguish the exercise of power by a single hand. The direction of war implies the direction of the common strength; and the power of directing and employing the common strength forms a usual and essential part in the definition of executive authority."

Therefore, I contend that efforts by some in Congress to seize the function of military command into the Legislative Branch runs counter to the division of powers planned by the Founding Fathers. If this Committee should seek to order the end of all air combat operations in Cambodia, it would nullify the purpose of the Framers to place the direction of war into a single hand, the Constitutional Commander in Chief.

II. THE MAJORITY OF AUTHORITIES AGREE THE PRESIDENT IS CHARGED WITH PRIMARY RESPONSIBILITY FOR THE NATION'S SAFETY

Mr. Chairman, Constitutional authorities throughout our history have been almost unanimous in concluding that the President is vested with an independent control and direction over the military forces in all situations where he believe there is a threat to our country or its freedoms. The notion that the President is subject to the policy directives of Congress has been rejected by leading jurists time and again. It is only during the last decade or so, after the going got tough in Vietnam, that Constitutional revisionists began changing their minds.

In the famous book which first formulated the war powers of this country, William Whiting wrote:

"Congress may effectually control the military power by refusing to vote supplies, or to raise troops, and by impeachment of the President; but for the military movements and measures essential to overcome the enemy—for the general conduct of the war—the President is responsible to and controlled by no other department of government." W. Whiting, The War Powers of the President 82 (2d ed. 1862).

As if in anticipation of the legislation now before the Committee, Whiting added that the Constitution "does not prescribe any territorial limits, within the United States, to which his military operations shall be restricted." *Id.* at 83.

Dr. John Pomeroy, Dean of the University of New York Law School emphatically rejected the idea that "the disposition and management of the land and naval forces would be in the hands of Congress. . . ." "The policy of the Constitution is very different," Pomeroy instructs. The Legislature may "furnish the requisite supplies of money and materials" and "authorize the raising of men" but "all direct management of warlike operations . . . are as much beyond the jurisdiction of the legislature, as they are beyond that of any assemblage of private citizens." J. Pomeroy, An Introduction to the Constitutional Law of the United States, 288, 289 (1870).

Professor Clarence Berdahl, who published a comprehensive study on the Executive's war powers in 1921, squarely tackled this issue. He concluded:

"Although there has been some contention that Congress, by virtue of its power to declare war and to provide for the support of the armed forces, is a superior body, and the President, as Commander-in-Chief, is 'but the Executive arm . . . in every detail and particular, subject to the commands of the lawmaking power,' practically all authorities agree that the President, as Commander-in-Chief, occupies an entirely independent position, having powers that are exclusively his, subject to no restriction or control by either the legislative or judicial departments." C. Berdahl, War Powers of the Executive in the United States 116, 117 (1921).

Professor Willoughby, author of a famous multi-volume study on Constitutional law, agreed with this position. He wrote that the power of the President to commit troops outside the country "as a means of preserving or advancing the foreign interests or relations of the United States" is a "discretionary right constitutionally vested in him, and, therefore, not subject to congressional control." 3 W. Willoughby, The Constitutional Law of the United States 1567 (2d ed. 1929).

Mr. Chairman, there are many other legal scholars whom I could cite as having reached identical findings. The same theme of Presidential responsibility for the Nation's safety runs through 180 years of legal writings.[1] Are we now to cast this aside as if it were never written? Rather, I should think, the weight of authorities in support of Presidential prerogatives would place the burden of proof on the other side. Instead of confining the subject of these hearings to the authority of the President to continue the bombing in Cambodia, I would suggest that a very proper subject of your investigation would be a detailed analysis of what the authority of the Congress is to stop that bombing.

III. THE PRESIDENT, ACTING TO DEFEND AMERICA'S INTERESTS, IS NOT SUBJECT TO THE COMMANDS OF CONGRESS

A. The declaration of war powers is not the exclusive way the United States can wage war

Certainly, the declaration of war clause gives us no such power. The idea that the only way this nation can enter into war is through a declaration by Congress is a myth. The vast majority of wars are begun without any declaration. This was as well known to the Founding Fathers as it is to us today.

In the 87 years preceding the Constitutional Convention, 38 wars were held in the Western World and only one of them was preceded by a declaration. Maurice, Hostilities Without Declaration of War 12–27 (1883). That the Founders knew of this condition is proven by Hamilton's statement in the Federalist No. 25 that declarations of war were already in disuse in the Eighteenth Century.

Thus, there is no question that when the

[1] Though the question has never been squarely resolved by the Supreme Court, which treats the issue as a "political question" outside the competency of the judiciary, four Members of the High Court have declared in a concurring opinion that "Congress cannot direct the conduct of [military] campaigns. . . ." *Ex parte Milligan*, 71 U.S. 2, 139 (1866). Later, the Supreme Court affirmed a holding of the Court of Claims that "Congress cannot in the disguise of 'rules for the government' of the Army impair the authority of the President as Commander in Chief." *Swaim* v. *United States*, 28 St. Cl. 173, 221 (1893), *aff'd*, 165 U.S. 553 (1897). The Court also has broadly stated that the Commander in Chief provision confers upon the President "such *supreme* and *undivided* command as would be necessary to the prosecution of a successful war" (emphasis added) *United States* v. *Sweeny*, 157 U.S. 281, 284 (1895).

Constitutional Convention narrowed the authority of Congress by substituting "declare" for "make" in the declaration of war clause, the Framers understood that there had been and might continue to be many instances in which hostilities would occur with no declaration. To argue that no military operations can begin with a declaration by Congress is to ignore the historical setting in which the Constitution was drafted, and, indeed, is to ignore the ensuing 184 years of life under that document.

It may come as a surprise to many Americans, but there have been over 200 foreign military hostilities in the history of our Republic and only five of them were declared. These incidents show a consistent practice by which American Presidents have responded to foreign threats with whatever force they believed was necessary and technologically available at the particular moment.

The incidents have not been limited to the Western Hemisphere or to small-scale skirmishes. At least 103 of them took place outside this Hemisphere, and 53 of these occurred in the 18th and 19th centuries. One of them, the Philippine Insurrection, involved the employment of over 126,000 United States troops in a war begun and ended without any declaration of war.

These practices form an impressive source of Constitutional interpretation of a kind which has real meaning in the courts. In fact, the principle of usage has been accepted by the Supreme Court as a *determining* factor in Constitutional interpretation. For example, in *United States* v. *Midwest Oil Co.*, 236 U.S. 459 (1915), the Court approved the validity of a long continued practice of the President to withdraw public land from private acquisition, even though this conflicted with a contrary Act of Congress. That practice fixed the construction, the Court explained, "is not reasoning in a circle but the basis of a wise and quieting rule that in determining the meaning of a statute or *the existence of a power*, weight shall be given to the usage itself—even when the validity of the practice is the subject of investigation." *Id.*, at 472, 473. (emphasis added)

A decade later the Court again relied on usage as a basis for rejecting Congressional control over the Presidency. In holding that Congress could not shift gears after 73 years of practice and set conditions on the removal by the President of executive officers, even though such practice had often been the subject of bitter controversy, the Court argued:

"Nor can we concur . . . that when Congress, after full consideration and with the acquiescence and long practice of all the branches of the Government, has established the construction of the Constitution, it may by its mere subsequent legislation reverse such construction. It is not given power by itself thus to amend the Constitution." *Myers v. United States*, 272 U.S. 52, 152, 175 (1926).

These two cases closely parallel debate over the military command powers. Here there are over a hundred years of practice in which Presidents have reacted on their own initiative to any crisis which they believed might present, or might develop into, an unacceptable threat against our national security. Many Presidents have been denounced and condemned from the floor of both Houses for taking these strong military actions. But Congress has never once passed a law blocking or ordering a halt to any of these conflicts. Congress cannot now, after full consideration and acquiescence during almost two centuries, reverse the construction of the Constitution which has become so firmly set.

To those who fear this concept may give an unrestrained power to the President to do anything he wants, I would remind them that I am speaking only of defensive actions by the Executive. The President cannot conduct a war of aggression. He cannot bully another country with threats of armed action simply because we do not like its tariff policies or the way it governs its internal affairs. His Constitutional power of independent action is limited to the defense of our country, its citizens, and its freedoms; but he may act whenever and wherever in his judgment a danger exists, imminently or prospectively, which compels a response on our part.

B. Congress cannot pass laws under the "Necessary and Proper Clause" which interfere with or limit the President's power as Comamnder in Chief

Nor can Congress act to restrain Presidential military operations under the guise of the "necessary and proper" clause of Article I. This notion was considered and rejected over one hundred years ago when Whiting counseled President Lincoln that Congress is "bound to pass such laws as will *aid* him" in carrying into execution his military powers. Thus, Congressional measures under the "necessary and proper" clause must be supplementary to and in aid of, the functions of the President as Commander in Chief; they cannot restrict his exercise of those functions.

That this is the correct interpretation of the Constitution is clear from the decision of the Supreme Court in *Myers v. United States*, 272 U.S. 52 (1926), where the Court held that Congress could not limit the President's discretion of removal of executive officers even though Congress itself created those offices. Chief Justice Taft, writing for the Court, emphasized that Congress cannot vary the exercise of the President's separate powers. This, he said, "would be a delegation by the [Constitutional] Convention to Congress of the function of defining the primary boundaries of another of the three great divisions of government." *Id.*, at 127.

C. Congress cannot pass appropriation restrictions which limit the President's legal power as Commander in Chief

Neither can Congress use its power of the purse to legislate policy restrictions over the conduct of the President's defense powers. This would be placing "the keys of the Treasury and the command of the army into the same hands," something that Madison rejected in the Federalist No. 37 as being "particularly dangerous" and therefore unintended by the Constitutional Convention.

Congress has great powers over military matters. It controls the size and the strength of the Armed Forces and the amounts and kinds of materials with which we can wage war. Congress can enact or refuse a multitude of emergency powers involving foreign trade and strategic materials. Congress can approve or reject treaties or area resolutions having defense implications. If the President undertakes a truly disastrous course, he can be impeached.

But once Congress has made its decisions of how many men shall be enlisted, or what arms constructed, the President may station those forces and send out those arms to such parts of the world as he determines appropriate in the national defense. The Constitution gives the President the authority to protect American rights and interests abroad and Congress cannot by mere legislation redefine the allotment of powers made by the Framers.[2]

Justice Blackmun has written: that "Article II of the great document vests in the Executive Branch primary power over the conduct of foreign affairs and places in that branch the responsibility for the Nation's safety." *Id.*, at 761.

Also pertinent to this inquiry is the holding by Justice Rehnquist, joined by the Chief Justice and Justice White, that the Executive Branch is charged "with primary responsibility of the conduct of foreign affairs . . ." *First Nat. City Bank v. Banco Nacional De Cuba*, 406, U.S. 759, 768 (1972).

IV. THE LEGAL BASIS OF THE PRESIDENT'S AUTHORITY TO CONTINUE MILITARY OPERATIONS IN CAMBODIA

Applying these principles to the situation in Cambodia and Laos, or even all of Indochina, I believe the President could properly assert at least three grounds for his authority to continue military operations in that area. He might conclude, as did the Court of Appeals for the Second Circuit, that various legislative measures by Congress served as Congressional participation in the Indochina War. *Orlando* v. *Laird*, 443 F. 2d 1039 (1971).

Acting on this participation, which ratified the Executive's military activities, the President is empowered to continue any aspect of those activities which he finds necessary to successfully achieve the objectives of this nation. The Vietnam Agreement announced by the President in January specifically includes among its major elements the withdrawal of all foreign troops from Laos and Cambodia and a ban on the use of Laotian or Cambodian base areas to encroach on the sovereignty and security of South Vietnam. It also requires as an essential condition respect for the independence and neutrality of Laos and Cambodia. North Vietnam has clearly violated these requirements. Therefore, the President, as Commander in Chief, may respond with actions calculated to enforce the Agreement.

In the alternative, the President might find, as was suggested by the Court of Appeals for the District of Columbia, that "[e]ven if his predecessors had exceeded their constitutional authority, President Nixon's duty did not go beyond trying, in good faith and to the best of his ability, to bring the war to an end as promptly as was consistent with the safety of those fighting *and with a profound concern for the durable interests of the nation—its defense, its honor, its morality.*" (emphasis added) *Mitchell* v. *Laird*, ——— F. 2d ——— (No. 71–1510, D.C. Cir. March 20, 1973).

Finding this, the President could reasonably decide that the turn of events in Cambodia, or in Indochina for that matter, do not measure up to the results which he believes are necessary to protect the nation's "durable interests."

Finally, the President could rely solely upon his independent powers as Commander in Chief and conductor of the nation's foreign policy. So long as he determines that the Cambodian or Vietnamese situation threatens the vital security interests of the United States, he can use force to allay that threat. In an age of rampant dictatorships and a physically shrunken world of interrelated societies, the principle of an independent authority on the part of the President to wage defensive war in crisis situations is a national life insurance policy.

[2] Justice Stewart and Justice White have commented that the Constitution endows the President with "a large degree of unshared power in the conduct of foreign affairs and the maintenance of our national defense." *New York Times Co.* v. *United States*, 403 U.S. 713, 729 (1971).

RESOLUTION OF THE IOWA STATE SENATE

Mr. HUGHES. Mr. President, the war that will not end is deeply troubling the people of Iowa and the rest of the Nation. American involvement in hostilities has been shifted from Vietnam to Cambodia and Laos.

Despite the widespread public attention to other matters, the facts about the continuing war have been getting through to our people.

Since the signing of the cease-fire agreement on January 27, the United States has dropped over 145,000 tons of bombs on Laos and Cambodia. This is nearly as much U.S. aircraft dropped on Japan in World War II, excluding the two atomic bombs.

During the period January 27 through April 30, nine more American pilots have been killed in this fighting, and two more are listed as missing in action.

The cost of this bombing is over a quarter of a billion dollars so far—with more to come.

All this is being done without legal authorization from the Congress, and without even the President's prior justification that he was involved only to protect the withdrawal of U.S. troops from Vietnam. This bombing is in arrogant defiance of the Constitution and the Congress.

And in the most shocking renunciation of our constitutional principles, high administration officials have announced that the bombing will continue regardless of what Congress may do.

No wonder the people are angry and troubled.

In a recent public opinion survey, the American people were found to be opposed to the bombing in Cambodia and Laos by a 2-to-1 margin.

By a 6-to-1 margin, they agreed that further military action in Southeast Asia should require a vote of approval by the Congress.

Some steps have already been taken to restore Congress' proper constitutional role over war and peace. Last week, the House of Representatives voted to deny additional transfer authority to the Defense Department to help finance this bombing. Now the Senate has an opportunity to uphold this decision, as well as a chance to go further and cut off all funds for this illegal warmaking. I hope we will take these steps.

On May 9, the Senate of the State of Iowa urged the Congress to take these very steps, in a resolution sponsored and passed with bipartisan support. The Iowa Senate expressed a "frightful concern" about the erosion of congressional influence over these policies and an apprehension that continued bombing may lead to the reinvolvement of American ground troops. I ask unanimous consent that the text of this resolution be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HUGHES. Mr. President, the Congress has to stop this war even if the President will not. We cannot afford to waste American lives and resources in support of an unauthorized and unjustified Presidential policy.

Farmlands are flooded. Our own fuel supplies run short. Domestic Federal programs to help our people are being sacrificed. The money spent on air operations in Cambodia alone is almost enough to restore the $185 million budget cut in Federal funds for elementary and secondary education.

Why do we continue to wage war in Southeast Asia when our own country needs to be rebuilt

Mr. President, I hope that other Members of Congress will consider these facts and the eloquent plea of the Iowa State Senate for peace in Southeast Asia.

EXHIBIT 1

S. RES. 5

Whereas, Congress is now considering the Department of Defense's request for $500 million additional transfer authority which is described by the Department of Defense as "necessary to provide the flexibility to transfer funds to meet requirements as they arise during the balance of the year",

Whereas, $150 million of the $500 million transfer authority has already been used to fund Cambodian aerial combat operations which have taken place during the first months of this year, and

Whereas, the Iowa Senate feels quite strongly that this action amounts to a Congressional blank check approving combat activities which have already taken place and giving Congressional approval to any future combat activities, and

Whereas, this kind of after-the-fact approval is all too reminiscent of the entire history of United States involvement in Vietnam and especially of the Gulf of Tonkin Resolution, and

Whereas, the Iowa Senate does not want Congress to underwrite either continuation of aerial warfare or the reintroduction of United States ground combat forces in Southeast Asia, Now therefore,

Be it resolved by the Senate of the General Assembly of Iowa, That the Senate is frightfully concerned about the steady erosion of Congressional influence in the policy making decisions concerning Southeast Asia, and that the Iowa Senate is very apprehensive that the continuation of aerial warfare can result in eventual reintroduction of ground troops into a combat environment in Indo-China, and therefore the Iowa Senate urgently requests Congress to refuse the request from the Department of Defense for transfer authority and strongly commends to the attention of Congress the Iowa Senate's support for action which will enforce the terms of the Peace Treaty of Paris and prevent further combat activities by United States forces, and

Be it further resolved, That copies of this resolution be immediately forwarded by the Secretary of the Senate to each member of the Iowa Congressional delegation.

FOOD PRICE SITUATION

Mr. PEARSON. Mr. President, there has been a great deal of misunderstanding about the food price situation. I recently had an opportunity to read an article by Leo Melamed appearing in the New York Times of April 29 which I thought did a good job of placing this whole matter in perspective. As Mr. Melamed points out, it is essential that we take a look at food prices over a period of time rather than at any particular moment. And when we do this, of course the evidence is inescapable that food has consistently been one of the best buys that the American consumer can make.

Over the past 15 or 20 years, food prices, and particularly prices to the farmer, have been deflationary rather than inflationary. Over the past 24 years, food prices increased 40 percent whereas other consumer items have increased by 58 percent and if food prices had increased as rapidly as industrial wages we would be paying 267 percent more for steak today. Even more significantly, Mr. Melamed points out that the average person spends 32 percent less for food out of each $100 of taxable income than he did 20 years ago, but, at the same time, spends 48 percent more for medical care.

Mr. Melamed also does a good job of analyzing the difficulties of making price controls work. Mr. President, I ask unanimous consent that a copy of this article be printed in the RECORD.

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

THE FALLACY OF PRICE CONTROLS FOR FOOD—THEY DO NOT ATTACK THE PROBLEM'S MAIN CAUSE

(By Leo Melamed)

Too little of the true nature or cause of the food price rise has risen to the surface or been properly explained. Take, for instance, the so-called meat boycott.

The power of the housewife has been extolled as if it were a new invention comparable to, say the discovery of the wheel. The truth is that consumer price resistance is a time-honored weapon of the marketplace and is as old as the marketplace itself. It is today no more than it has been from time immemorial, the check in the balance between supply and demand.

Sooner or later, every commodity is liable to face the price resistance level of the consumer at which point the supply will begin to outweigh the demand. Price resistance is second only to supply in affecting the price of any given commodity.

The recent boycott was not, therefore, an extension of women's liberation or an invention of 1973, nor need it have been given the reverence the press seemed to attach to it.

Such glamorization of an important but normal economic function will undoubtedly produce polarization between the consumer and the producer. This will reduce the matter to a war between boycott groups and anti-boycott groups, thus further distorting the supply and demand picture, and certainly be a disservice to our economy.

What is of much more significance, however, is the irresponsible response of many of our political leaders to this dilemma. To a man, it seems they have hopped aboard this bandwagon of sentiment with cries of "the President hasn't done enough," "roll back the prices" and so on.

Such talk may make votes; it certainly doesn't make sense.

Where are our leaders who have the guts to explain the true nature of this problem? Where are our officials who would point out that the present crisis was caused by the convergence of a number of contributing factors, including severe weather, previously depressed prices and profit squeezes and an enormously increased demand for meat?

This, as a result of higher wages and more employment, changed eating habits and Government food programs.

Who explained that some of these factors are of a permanent nature, others are cyclical and still others are temporary?

Who pointed out that one of the main causes has been the devaluation of the dollar, coupled with foreign inflation and increased world affluence, which created additional funds in foreign countries with which to increase their imports of our products; such as grain and meat, were some of the biggest bargains available to them, and that our Government encouraged this eventually to aid our balance of payments?

And who explained that this cause and its effect was a continuing one because you could not have your commodity and eat it too?

Finally, and most importantly, why has so little been written about the low nature of our present food prices?

Food prices in recent months have risen dramatically and out of proportion with other items; the price of meat has, in the last year, risen to an extreme. In fact, food prices in

the last several years have been playing catch-up.

But the price of farm products cannot be measured in terms of weeks or months or even one year. The rise and fall of farm commodities are affected by a number of complicated factors that cause a constant tug-of-war between supply and demand.

At any given moment or during any given year, the price may rise or fall dramatically (drawing exceptional public attention to it), but it is unfair to judge this rise or fall as of that moment or that duration. To judge prices of farm commodities adequately and fairly, one must look at them over a longer period of time, say 10 or 20 years. Only then can you assess their cost increases on a basis that has taken into account all of the variables, cycles and adjustments.

How often is it explained that although food prices have risen significantly, they have risen far less than most goods? Or how often is it pointed out that while prices for all consumer items rose by 58 per cent during the last 20 years and housing prices rose by 64 per cent, prices for retail food went up only 47 per cent since 1952 and the price of food eaten at home rose less than 40 per cent?

Even this 40 per cent rise (18 per cent less than the rise of other consumer items) is not the full story, since our average food bill, which took 23 per cent of our after-tax disposable income in 1952, took only 15.7 per cent of the after-tax disposable injected even lower for 1973.

Who has had the courage to point out that during this same 20-year period, while home food prices rose by 40 per cent (but took 7 per cent less of our after-tax income), the hourly wages received by laborers went up 140 per cent?

It is not my intention to be critical of laborers' increased wages, but I certainly call it unfair when labor's leaders use this rise in food prices as a reason for higher wages. Who would point out to them that if food prices had kept pace with wages since 1952, then a quart of milk today would cost 55 per cent more, a dozen eggs 161 per cent more, a pound of hamburger 151 per cent more and a pound of round steak 267 per cent more?

Who would explain that while out of every $100 of after-tax income the average person spends 48 per cent more for medical care; 18 per cent more for his automobile, transportation, gas and oil; 14 per cent more for housing, furniture and household operations than he did 20 years ago, he spends 32 per cent less (yes, less) for food?

Little wonder that the rest of the world, with few exceptions, is envious of our food prices and has come to our counter for our cheap commodities. Has everyone made the comparison between our retail meat prices and the dollar equivalent in foreign countries?

How much has been written about the reasons for our plentiful breadbasket and that a paramount cause for its success has been a relatively free-enterprise system guided mainly by supply, demand and profit motivation; that price and market controls, ceilings and five-year plans (as some have suggested), have been tried in every other corner of the globe (and here, too) with disastrous results, and that we are still the only nation that has produced food commodities on a scale that is generally higher than we can consume?

Instead of facts, we have heard the demands that Government put more controls into this system; that we roll back prices, and that we install some magic bureaucratic system to guide and guard rather than allow it to adjust itself as in the past or as world economic conditions dictate.

The old successful way isn't good enough in these modern times, so let's adopt the unsuccessful policies of other nations. That way we can look forward to the same results that they have achieved and soon we can together lack the same commodities.

Controls, ceilings and such are wonderful ideas, but there are a number of basic things wrong with them:

They don't affect the fundamental cause of the problem in the first place. Increases in prices can be predominantly attributed to lack of supply, or put another way, demand in excess of supply.

An increase of supply or decrease of demand are the only real means of reducing prices. Controls on prices will in no way affect greater supply or lower demand.

They are counterproductive. For the producers, controls induce the psychology that no matter what he does for his product's quality, he cannot get a better price; no matter how hard he works or how much money he spends to produce more, his potential profit per item will remain the same, so his incentive to produce more or better quality diminishes.

For the consumer, controls induce the psychology that no matter how much he buys of the product, the price will not rise and probably won't go down. So his demand for the product has no reason to diminish, in fact, it increases. Controls have always, thereby in the final analysis, produced shortages.

Price controls create a political and public mass psychology that is dangerous. Just like any pacifier, it creates the impression that the problem is solved. Therefore, the real and underlying causes of the problem tend to go unattended. Even worse, often as not, such psychology leads directly to programs and attitudes that increase the basic problem.

Price controls are inherently inflationary. In order to regulate and enforce them, new Government agencies must be created; this is costly.

Such additional Government expenditures can be paid for by higher taxes but usually are not. Instead, the Government pays for it with borrowed or created funds.

Price controls create unforeseen complexities and, in the long run, are self-defeating. No control system has yet been devised that can foresee at the outset all the effects and countereffects on the nation's economy. New rules and interpretations must be constantly added.

Thus controls, in time, become an incomprehensible morass of rules and exceptions riddled with loopholes and conflicting interpretations. Furthermore, human nature will, in the long run, prompt many consumers to circumvent or violate control prices to get better quality or more of a given product. This, in essence, means that prices continue to rise—albeit unofficially.

Price controls tend to become "alive" once installed. Controls are most difficult to be done away with. The psychology that created them and the psychology that they in turn create seem to make them independent of their creator. Like opium or any artificial stimulant, once you have it, you think you can't live without it—regardless of the harm it causes.

If I have oversimplified these issues, it was for emphasis, but the facts remain for anyone to draw his own conclusions.

It is indeed sad that now we have meat ceilings in response to the public clamor for a pacifier. Should the price of meat recede, it will be attributed to the effectiveness of these controls. Forgotten will be the fact that any reduction in meat prices will unquestionably have been caused by stiff consumer price resistance, coupled with a continuing increase in meat supplies, and not at all by the artificial magic of the ceiling.

But, alas, no lesson will have been learned—just the opposite—an erroneous impression will have been created.

Food commodities are our biggest bargain even now and controls, ceilings or other artificial means won't help their production. If our food prices are rising, then it is caused by eventualities over which our farmers had little control. Penalizing them won't help.

It could be that our food prices won't ever come back down—they may even continue to rise—but the answer to this problem, as in the past, lies in production, production incentives and overall national economic management and not in politically inspired rhetoric or artificial price adjustments or controls. And certainly emotionally charged accusations and demands by consumer groups won't do anything except confuse the issues and delay the remedies.

NO FURTHER U.S. MILITARY INVOLVEMENT IN SOUTHEAST ASIA WITHOUT SPECIFIC AUTHORIZATION FROM CONGRESS

Mr. PELL. Mr. President, the Senate Committee on Foreign Relations, of which I am a member, today gave its approval to an amendment sponsored by Senators CHURCH and CASE that would prohibit further U.S. military involvement in or over Southeast Asia, including Cambodia, without specific authorization by the Congress.

Mr. President, I am a cosponsor of the Church-Case amendment. I voted for it in the Foreign Relations Committee, and I support it wholeheartedly and without reservation.

I believe the amendment is vital for two reasons:

First, I believe the heavy U.S. bombing in Cambodia is a dangerous, costly, and unwise policy. It is a seed from which can grow another enlarged and extended military involvement in Southeast Asia at a time when we are hopefully close to terminating the huge costly involvement of the past decade.

Secondly, the Church-Case amendment is vitally important as an assertion of congressional authority and responsibility for engagement of U.S. forces in war. The amendment is essential to a broader effort to bring a runaway, arbitrary, self-justifying executive branch of our Government back within the constraints of the Constitution.

The administration maintains that its present military intervention in Cambodia is simply a continuation of what we have already been doing in Cambodia for the last 3 years and that our current air operations in Cambodia are necessary to enforce the peace in Southeast Asia. Regardless of whether these propositions are true or not, neither of them provides a legal basis for the continued bombing of Cambodia.

When U.S. ground forces invaded Cambodia in May 1970, we were told that this action was necessary to protect American troops in Vietnam. When our air intervention in Cambodia continued after American troops left Cambodia we were told that continued air interdiction was necessary to protect the withdrawal of American troops from Vietnam and the Congress allowed the bombing to continue only for this latter purpose. On January 27, 1973, however, the last American troops left Vietnam, thus terminating the only legal justification for our air war in Cambodia.

If the administration now believes that it somehow has the authority to wage war

in Cambodia in the name of enforcing the Vietnam agreement, it should be able to cite specific legislative authority. Neither the Constitution nor any statute grants such power and certainly the conclusion of the Vietnam agreement, without reference to Congress, did not give the executive branch such authority. The proper course of action for the administration, if it believes it desirable to use U.S. Armed Forces in Cambodia, or elsewhere, to enforce the agreement is to come before the Congress and seek such specific authority.

There may be honest disagreement over whether it is in the U.S. interest to seek to impose an Indochina cease-fire by force or whether bombing in Cambodia is likely to bring about such a result. But what should be clear is that that decision properly rests with the Congress.

What is troubling is the administration's sweeping assertion of the right to continue bombing in Cambodia. It suggests a belief that the executive branch can take any action it deems necessary in order to pursue objectives of its own choosing. As such the administration's position makes a mockery of our constitutional processes.

It is not surprising that the administration is reluctant to ask for specific authority to continue the war. The intensification of bombing in Cambodia since January 28 has already cost the life of one American flier and two other fliers are missing in action. Will the American people be willing to see these totals continue to grow over the months ahead? And what will we do when the inevitable event occurs that one or more of our airmen are downed and captured to become prisoners of war. Do we then have to commit more troops in order to secure the return of POW's? We all recall that the POW issue was a major part of the emotional justification for our continued involvement in Vietnam.

It has been calculated that the intensification of the air war in Cambodia since mid-February has already added over $240 million to the cost of the war and that each day's additional bombing adds another $4 million to that total. The peoples' representatives in Congress should be given an opportunity to indicate whether they wish to see their tax dollars wasted in this manner.

Reports from Cambodia indicate that many civilians have been killed by our bombing and that thousands more have become refugees in an effort to escape our attacks. Given a choice, how many Americans would wish to see this continue?

Instead of seeking implied, backdoor approval for continuing the war by means of its pending request for authority to transfer funds within the Department of Defense budget, the administration should put the question of our involvement in Cambodia to the Congress and the American people honest and fairly. Let us have an up or down vote on whether U.S. Armed Forces should be used in Cambodia. To do so would be to restore an essential element of respect for law and due process which has been sadly lacking throughout this dreadful war in Indochina.

SPACE-AGE HEALING

Mr. GOLDWATER. Mr. President, the May to June issue of the Saturday Evening Post has joined a growing list of magazines and news sources who are recognizing the great spinoff benefits from our space programs. This article tells of the advances made in medicine that have come solely from space probing and study, so I ask unanimous consent that the article be printed in the RECORD.

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

SPACE-AGE HEALING

(By L. B. Taylor, Jr.)

Last October a pregnant woman, hemorrhaging severely, lay near death in the remote village of Chalkyitsik in northeastern Alaska. The nearest professional help was more than fifty snowbound miles away, and without immediate aid, it was feared she would not live through the night. In desperation, a part-time nurse relayed a report on the woman's condition via a ground station antenna system linked to an unmanned satellite positioned in orbit 22,000 miles above earth. The information was picked up at a receiving station in Anchorage, and a doctor transmitted back emergency instructions to the nurse. She then was able to stop the hemorrhaging, and the woman survived the night and was transferred the next day to proper medical facilities for treatment.

A few months earlier, in one of the finest, most modern medical facilities in the world—Stanford University Hospital in Palo Alto, California—25-year-old Mrs. Mary Phillips was bleeding to death and a team of doctors had run out of conventional ways to save her. Over a five-week period, they had given her forty-six pints of whole blood and sixty-four units of plasma, and had performed nine operations, but they could not halt the persistent abdominal bleeding.

At this point, Dr. H. Ward Trueblood, chief resident in surgery at the hospital, called scientists at the National Aeronautics and Space Administration's Ames Research Center in nearby Mountain View, explained the situation, and asked for help. A team of specialists studied the unusual problem and came up with an unprecedented solution. They recommended that Mrs. Phillips be fitted in an astronaut-type pressure suit, worn by test pilots to avoid blacking out during high-speed aerial maneuvers. It applies pressure to counter the draining of blood from the brain and upper body.

The suit stopped Mrs. Phillips' internal hemorrhaging overnight by reducing the difference in pressure between the blood within her arteries and the tissue outside them. This allowed her blood to coagulate naturally, and she soon returned home and resumed a normal life.

Mrs. Phillips and the Alaskan woman both are alive today thanks to technological "spin-off" benefits from the American space program. The advanced processes used to save their lives are but two of thousands of research discoveries and engineering innovations—developed as astronauts headed for the moon—that are being dramatically adapted to down-to-earth applications in the field of medicine.

Since its inception with the passage of the National Space Act in 1958, NASA has pursued a not-well-publicized but nevertheless active program to make the practical by-products of space research available to whoever can use them; to get science and technology down to business, so to speak. The applications have varied greatly—everything from the popular snack, space food sticks, to daily global weather reports beamed around the world from orbiting satellites. In medicine, NASA has assigned task forces of specially trained personnel to work directly with medical researchers to effectively channel complex data into everyday, in-the-field use.

With heart attack victims, for example, every second between the initial strike of pain and the administering of professional help can mean the difference between life or death. More than 60 percent of the fatalities from this killer disease occur within an hour after the first attack; yet, up to now, the ambulance transit period is often lost time in terms of diagnosis and treatment.

The space age is changing that. Through an ingenious system originally designed to check astronauts' heart action, electrodes are sprayed on a patient's body in the ambulance so an electrocardiogram can be flashed via a radio-telephone link to the hospital while the vehicle is en route. Reading the EKG at a hospital console, the doctor has advance knowledge of the patient's condition and can make whatever preparations are necessary before he arrives, saving precious minutes. The system has been successfully tested in Los Angeles and other metropolitan areas.

In today's era of ever-rising medical care costs, the increasing use of space-related electronic devices and techniques promises substantial reductions in hospital operational expenses by forcing highly-trained personnel from routine patient watching duties.

One case in point is a tiny sensor and radio transmitter, initially developed under NASA sponsoring, that has been modified to automatically monitor infants and comatose adults suffering from windpipe obstructions. When injury or disease causes blockage of the upper air passage to the lungs, surgeons frequently must perform a tracheotomy—inserting a small tube in the throat to enhance breathing. If this tube becomes clogged, breathing will stop and brain damage or death can result within two to four minutes.

To prevent this, a full-time nurse must constantly check the tube visually and take immediate corrective action if necessary. This new sensor, however, by noting subtle differences in the temperature of air passing through the tube, actuates an audible or visible alarm within ten seconds of any change. Such a signal can be tied in to a console at a nurse's station, allowing one attendant to safely keep watch over dozens of patients.

A similar system is now in use on an experimental basis at the Children's Hospital Medical Center in Oakland, California. Here, delicate sensors are attached with microminiature connectors to new-born infants with respiratory ailments. The transmitter sends a pulsating signal to a central nurse station. If the baby has trouble breathing, the signal is interrupted, instantaneously warning nearby attendants. In fact, the quality of the continuous tone transmitted can, to the experienced ear, provide valuable information concerning the infant's respiration.

Across the nation, in a Miami hospital, small, battery-powered electronic devices, manufactured by aerospace companies, are strapped to patients' arms and legs in the intensive care unit. Through them, such vital physiological information as temperature and blood pressure can be transmitted from as many as sixty-four patients to a single nurse at a monitoring console.

In other areas around the country all sorts of strange-looking contraptions and paraphernalia—originally designed exclusively for moonbound astronauts—have been adapted to a number of practical, if unusual, applications for the sick, injured, lame and paralyzed.

At the Texas Institute for Rehabilitation and Research, for instance, handicapped children learn to walk in a sling support outfit invented at NASA's Langley Research Center in Hampton, Virginia to help acquaint spacemen with the one-sixth gravity conditions on the lunar surface. The rig consists of a walkway, tilted off the horizontal, on

which patients exercise while suspended sideways by belts and pulleys. Various modifications of these slings are being used at other sites to help bedridden patients who find it difficult to retrain unused muscles to walk again.

"Such devices take the load off the heart, the respiratory system, the lower limbs, and relieve the strain on all of the dynamic 'subsystems' of the body," says Dr. James Gaume of Long Beach, California.

Doctors at the Kansas University Medical Center in Kansas City have found a unique use for astronauts' helmets—as respirometers for children. Formerly, youngsters there found the conventional rubber mouthpieces used for the collection of exhaled breath both uncomfortable and difficult to keep in place. At times this impaired the accuracy of the data on oxygen consumption.

The helmets were made to order to solve the problem. They come equipped with an air inlet and outlet, a rubber seal around the neck and a suction pump to continuously circulate fresh air, collect the exhaled breath, and draw the combined fresh air and exhaled breath neatly into an oxygen analyzer. And, as can be imagined, the kids love to use them.

It has turned a troublesome chore into a fun thing.

A second use for spatial headgear is being investigated at the Scott-White Clinic and Hospital in Texas. Here helmets equipped with sponge electrodes to obtain electroencephalographic (EEG) tracings from astronauts and test pilots under stress are being redesigned to detect hearing defects in children.

Certainly one of the most extraordinary space instruments to be applied to medical purposes is a "sight switch" first developed to aid busy astronauts on long-distance flights. It has been successfully converted for quadriplegics—persons with no use of their arms and legs. With it, a patient can easily manipulate a motor-driven wheelchair by the movement of his eyes.

The novel switch operates on the principle of infrared reflection from the eyeball. An infrared light source bounces light off the white of the eye into a photo-electric cell which carries the message to a control activater. When the eyes are moved sideward, one eye reflects the light while the pupil of the other eye absorbs it. The resulting imbalance of voltage controls the direction of the wheelchair. Such a device also can be used to turn pages of a book, flip a thermostat on or off, and control radio and television sets, among other things.

This specialized wheelchair has been tested and favorably evaluated by the Institute of Rehabilitation of the New York University Medical Center, and more recently tested and refined for use by paralyzed people at the Rancho Los Amigos Hospital in Downey, California.

Even Apollo's specially-designed windshields have been put to work on health care problems. They are used in the treatment of severe burn victims. These three-by-four-feet curved "shields" are suspended over patients, allowing freer movement while a constant temperature is maintained under their surface. Water loss through evaporation, one of the major factors in the healing process, also is cut down through use of the constant-temperature shield, and doctors have found in many cases where the shields are applied, pain-suppressant narcotic drugs are not necessary.

"Of particular importance in burn cases is the comfort of the patient, and the need to keep him warm," explains Dr. Richard Grossman, specialist at the Sherman Oaks Hospital Burn Treatment Center in California. "Since the shield does not encompass the patient, it is much easier to change dressings and for the attending physician to determine the progress of the recovery. More than 1,000 patients in a dozen centers have been cared for using the new shield, and the doctors all report it to be a valuable aid," Grossman says.

Similarly, a dry immersion bed designed for research on metabolic rates of astronauts under the weightless conditions of space, now provides relief for victims of severe skin burns or ulcers. In hospitals, patients using the bed lie on a waterproof sheet and remain dry while "floating" in water heated to body temperature. Because the patient is buoyantly supported, there is an infinite number of pressure points, rather than maximum pressure on any single part of the body. The bed is used for people in long-term bed confinement cases to prevent and to treat pressure-produced skin ulcers and to treat massive skin burns.

The technology fallout also is affecting maternity wards. The company which developed the "glass sandwich" to prevent windshield fogging on NASA's high altitude X–15 experimental aircraft has transformed such expertise into the production of a cradle warmer system. It monitors the condition of prematurely born infants and maintains the proper temperature within a laminated plastic bassinet. Several hundred of these units have been purchased by hospitals and clinics.

At many of the nation's leading medical and hospital centers a number of additional space-spawned ideas are in various stages of research, experimentation and laboratory testing. NASA specialists are working with Stanford University School of Medicine scientists, for example, on a dramatic new employment of sonar which, it is hoped, will expose secrets about the functioning of the human heart.

Special sonar machines—which emit and receive high frequency sound waves—can measure precisely the amount of blood pumped out at each contraction of the heart muscle, something standard monitoring devices can't do. This technique can be applied as a screening procedure for patients with known or suspected heart disease, and it can be used to closely follow progress of the heart's healing process in patients recovering from a cardiac attack or from open heart surgery.

Equally exciting is the research being centered on NASA-developed blood pressure sensors so small—some are less than five one-hundredths of an inch in diameter—they can pass through a dog's artery into the heart with no bad effects. At the Harvard Medical School such devices have successfully measured blood pressure with unprecedented accuracy. The sensor is inserted through an ordinary hypodermic needle into an artery maneuvered into the left ventricle on the end of a thin flexible tube to make measurements inside the artery and heart without disturbing the flow of blood. Permanent implantation of a sensor with a transmitter in a human body would allow continuous monitoring of a patient as he moved about freely. And its small size would make it particularly useful in treating babies.

At the St. Louis School of Nursing and Health Services, a revolutionary "muscle accelerometer" has successfully undergone extensive testing to measure minute muscular tremors in the human body. It was patterned after a "momentum transducer," produced by NASA to measure micrometeorite hits on spacecraft, and is capable of recording impacts as faint as that of a grain of sand dropped one inch. This may help doctors in early diagnosis of such dreaded neurological ailments as Parkinson's disease.

The list of usable medical spinoffs from space—tangible ones that are helping save lives and mend bodies now, and others that are being converted from research laboratories to practical uses almost daily—includes scores of additional products, instruments, techniques and systems . . . life-prolonging miniaturized electronic heart pacers . . . lightweight foamed splints for broken arms and legs, replacing heavy, awkward plaster casts . . . new alloys for improved artificial limbs . . . electronic devices that convert audio sounds to vibrations that can be "heard" through the sensitive fingertips of the deaf and blind . . . digital computer processes that clarify medical X-rays. . . .

Yet for all the benefits that have been tapped from space technology to date, they but scratched the surface of what realistically can be expected in the immediate years ahead. Space flight has been largely experimental in nature. The emphasis has centered on engineering; on solving the overwhelming technical problems of just getting to the moon and back safely. But now the thrust is shifting more to the exploitation of space for the betterment of man.

The three manned earth orbital Skylab missions that will run through this November, typify this new direction. Top priority is being given to medical experiments. NASA wants to find out how prolonged time spent in space—up to two months—will affect the astronauts. The metabolic and cardiovascular systems will be measured in depth, and serious investigation of the orbital effect on nutrition, hematology, immunology, neurophysiology and pulmonary functions also will be undertaken.

Primarily, scientists are interested in identifying the precise mechanisms that change the chemistry of the human body when earth's gravity is absent. This knowledge is important not only in planning for future long range space flights, perhaps to other planets, but it can also contribute to a better understanding of life processes which are basic to treating human illnesses here on earth.

NIXON CAMPAIGN AGAINST "FAR OUT 15" BILLS

Mr. CANNON. Mr. President, one of the more bizarre public relations efforts of the Nixon administration is its present effort to muster support for expected vetoes of certain bills. Thanks to the efforts of the distinguished Senator from Minnesota, Mr. HUMPHREY, we have been able to learn many details of the Nixon campaign against the so-called Far Out 15 bills. This campaign, as my colleagues have been told, includes a 145-page propaganda kit complete with background information, anecdotes and, hard as this would be to believe before ad agencies took over the executive branch, "one liners" to be used in speeches.

I want to add my support to Mr. Humphrey's efforts to investigate this ill-advised campaign and my concurrence in his view that it may violate Federal laws forbidding the use of appropriated funds to lobby Congress. I believe that this latest discovery is just a small part of public relations psychology that has permeated this administration. To further illustrate this belief, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article from the latest issue of Esquire magazine dealing with Mr. Nixon's image makers.

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

(See exhibit 1.)

Mr. CANNON. One fact contained in that article particularly struck me. It was an estimate from the Office of Management and Budget that the executive branch employs 6,144 people a year, at a cost of $161 million, in public relations.

My interest in the "Far Out 15," however, goes beyond the propaganda question. Two of those bills, S. 38, the airport development bill, and S. 39, the antihijacking bill, were authored and floor managed to Senate passage by me. I am mystified how they could be included among bills characterized as, and I quote from the administration, "a $9 billion dagger at the pocketbook of the American taxpayer."

To begin with, S. 38, the airport development bill, increases the minimum annual authorization for airport development grants from the current level of $280 million per year to $420 million for fiscal years 1974 and 1975. If one chose to ignore the desperate need of this Nation's airports to expand to meet growing air traffic, one might say that the increase violates a need to curtail Federal spending.

However, this increase will not cost U.S. taxpayers a dime. The airport development program is financed entirely from revenues in the airport and airways trust fund, revenues from use taxes on passengers, airlines, and private aircraft owners and operators. There are presently and there will continue to be adequate excess revenues in the airport and airways trust fund to finance the additional Federal participation in airport grants.

How anyone could include this bill among those that would allegedly contribute to a 4-percent surcharge on individual tax returns escapes me. Yet, that is the incredible statement made by those who compiled the President's propaganda kits.

The second bill, S. 39, establishes a balanced, effective, and workable program to deal with aircraft hijacking. It has drawn opposition from the administration because it would establish an air transportation security force to provide a Federal law enforcement presence at the Nation's major airports to protect against air piracy. The administration wants to saddle this country's 531 airport operating authorities with the responsibility of policing their own airports. This is in spite of the fact that aircraft piracy, extortion, and violence in air transportation are violations of Federal law and the incidents themselves are carried out over large parts of the globe.

The antihijacking bill carries an authorization of $35 million for the next 2 fiscal years. This is a small price for the Federal Government to meet its clear responsibility in an area of critical importance. S. 38, as I mentioned, calls for no expenditures from the Treasury. To solicit support for killing these bills on grounds that they are budget busters is ridiculous and I urge my colleagues to resist the administration's arguments in this regard.

The article from Esquire follows:

EXHIBIT 1

Q. Are you worried about your image, Mr. President?

A. Not at all. When Presidents begin to worry about images . . . do you know what happens? They become like the athletes, the football teams and the rest, who become so concerned about what is written about them that they don't play the game well. . . . I don't worry about polls. I don't worry about images. . . . I never have.

Oh yeah?

(By David Wise)

Unlike a candidate, whose campaign funds restrict his television, advertising, and public-relations budget, an incumbent President has almost unlimited federal funds at his disposal for public relations during his four or eight years in the White House. Moreover, prime television time, so costly to a candidate, is usually free to a President between elections.

And while spending by political candidates occurs, for the most part, during campaigns, the government public-relations effort is continuous. The machinery serves the President throughout his term of office, not only at election time.

The vast, interlocking federal information machine has one primary purpose: the selling of the government. The machine markets its one product—the President and his Administration—by distributing an official, and often misleading, version of truth to the voters. It does so with the help of the system of official secrecy and classification, combined with government control over access to military and diplomatic news events. The information machine, in short, is the mechanism through which government information—and misinformation—is transmitted to the press and the electorate. The major objective is to enhance and preserve the Presidential image. In the electronic age, a political leader's image (especially his image on the television screen) is the true index of his power; imagery is a form of political energy directly convertible into votes.

Television is by far the most important public-relations tool available to a president, although an American President, to be sure, operates at some disadvantage, since the government regulates, but does not wholly control, the networks and stations. There are those who lament the absence of a domestic Voice of America to broadcast government propaganda directly to the people. In secret and startling testimony before a House subcommittee in 1971, the commander in chief of the Strategic Air Command, General Bruce K. Holloway, suggested that what America needed to preserve its security was a government-controlled news program to combat media "slanting." He added: "It would have to have authenticity. You would have to have the President starting it off with a thirty-second introduction."

While it might be preferable if the commander of S.A.C. stuck to his missiles and bombers, General Holloway quite accurately understood the fact that the President is the chief public-relations officer of the government. He stands at the apex of what must surely be the largest and most formidable information complex in the world, one that includes not only his own coterie of press secretaries, communicators, speech-writers and media advisers, but literally thousands of p.r. and information officials in the civilian and military departments of the government.

Although the whole thrust of government information is to merchandise the best possible image of the government and its leader, it is a cardinal principle of public relations that this goal is never publicly admitted. Consider, for example, Richard Nixon's appearance on the NBC Today show in March of 1971. Barbara Walters was interviewing the Chief Executive:

Miss WALTERS. . . . There has been a lot of talk, Mr. President, about your image and the fact that the American public—forgive me Mr. President—see you as rather a stuffy man and not a human man. Are you—oh, dear. Are you worried about your image, Mr. President?

President NIXON. Not at all. When Presidents begin to worry about images . . . do you know what happens? They become like the athletes, the football teams and the rest, who become so concerned about what is written about them and what is said about them that they don't play the game well . . . the President, with the enormous responsibilities that he has, must not be constantly preening in front of a mirror. . . . I don't worry about polls. I don't worry about images. . . . I never have.

Here was a President appearing on the *Today* show before an audience of millions of voters—and simultaneously denying he was concerned about his image. That is irony sufficient in itself, but there is additional irony in the fact that Nixon was on the show only because his advisers had persuaded him that he was not getting across to the public and that he needed more exposure. Suddenly, within a period of twelve days, Nixon appeared on the *Today* show, granted a one-hour, live interview to Howard K. Smith on ABC television, and—on the same day he taped the *Today* program—gave a long, folksy interview to a group of women reporters. During the week the newspaper reader or TV viewer could scarcely escape Richard Nixon proclaiming his lack of concern for his image.

For a President so unworried about appearances, Nixon surrounded himself with an unprecedented number of p.r. men and "communicators," some openly acknowledged and others hidden in the White House and the Executive Office of the President under innocuous or misleading titles.

One must begin with Harry Robbins Haldeman, the former manager of the Los Angeles office of J. Walter Thompson, whom Nixon appointed as his principal White House assistant. Strictly speaking, Haldeman's job was to serve as the President's chief of staff, but he installed Ronald L. Ziegler, his protégé at J. Walter, as press secretary, and his deputy, Dwight Chapin, was a member of the President's Image Committee, so it could not be said that Haldeman was entirely remote from public-relations policies.

In 1956 and 1958 Haldeman took leaves of absence from J. Walter Thompson to work for Nixon in political campaigns, and in 1960, when Nixon ran for President, he named Haldeman his chief advance advance man. Haldeman managed Nixon's 1962 campaign for governor of California, but their friendship survived even that disaster. Meanwhile, Haldeman was upwardly mobile at J. Walter, in charge of an office with clients that included Disneyland, 7 UP, and Sea World. One of his young executives, handling the Disneyland and 7 UP accounts, was Ron Ziegler.

While at the University of Southern California, Ziegler had become active in the Young Republicans, and in the 1962 gubernatorial campaign, Haldeman recruited Ziegler as a press aide to Herb Klein. After Nixon lost, Haldeman hired Ziegler at J. Walter. In 1968 Haldeman served as chief of staff of the Nixon-for-President campaign and Ziegler was press spokesman; after the election both moved into the White House in the same capacities.

The new Presidential press secretary was a dark haired man who chewed two sticks of gum at a time, drank Chivas Regal, wore dark blue suits, and had the Secret Service code name Whaleboat. He was usually very pleasant, although not always, and he proved generally popular with most White House reporters. Zeigler's appointment as press secretary—the most visible position in the government information structure—gave rise to considerable speculation about why Nixon had passed over his veteran press secretary, Herb Klein, in favor of a twenty-nine-year-old advertising man with no experience in Washington or in journalism.

The answer goes back to the post-election period when Nixon was putting together his staff at the Hotel Pierre in Manhattan. As soon as Haldeman's appointment was an-

nounced, the new staff chief told reporters bluntly that in the Nixon Administration "there will be no Sherman Adams, no Jim Haggerty. . . ." As a matter of fact, Haldeman added, there would be no press secretary "in the traditional sense."

All of this was interesting news to Herb Klein. In 1968 Klein, fifty, had served as "communications manager" of the Presidential campaign, and, having resigned his job as editor of The San Diego Union, he was plainly, awaiting a White House job. Two days after Haldeman announced that there would be no press secretary, Ziegler was named as a special assistant to the President-elect, sans press title. Not until January 13, 1969, did Ziegler announce that Nixon had told him to go ahead and use the title of "press secretary" after all.

In the meantime, three weeks after the election, Klein's appointment as "Director of Communications for the Executive Branch" was finally announced—by Ron Ziegler. It was then that Klein declared that "truth will become the hallmark of the Nixon Administration" and that the new Administration would "eliminate any possibility of a credibility gap"—predictions that proved premature.

The creation of the new post of "communications director" and the appointment of Klein meant that for the first time the public-relations function at the Presidential level had been split in two. An inevitable result was an increase in the cost of White House publicity as the number of people engaged in Presidential p.r. work proliferated. Klein soon had a staff of a dozen persons, whose salaries, added to his own annual pay of $42,500, totaled almost $200,000 a year. Ziegler had an even larger staff of fourteen—eight assistants and six secretaries. Operating from across the street in the Executive Office Building, Klein could see the White House through his office window, but he was physically not as close to the throne as Ziegler, whose office was in the White House proper. Theoretically, Klein spoke for "the Executive Branch as a whole," as Ziegler put it, but in practice this meant that Klein was reduced to working with the Cabinet departments; and traditionally, when any really important news originates in a department, the White House grabs it and the President's press secretary announces it.

"I have the President and the White House," Ziegler once pointedly told an interviewer.

Indeed he did, and within the White House, Ziegler's power and influence grew steadily. One White House official privy to the power struggles inside the palace guard gave a laconic explanation: "Ziegler is Haldeman's man."

Klein had weathered three of Nixon's Six Crises—the "Checkers" speech, the "kitchen debate" in Moscow in 1959, and the 1960 Presidential campaign. And he was at Nixon's side in 1962 when Nixon lost the election for governor of California. Klein alternated his public-relations chores for Nixon with various posts on the conservative San Diego Union; he was named editor of the paper in 1959.

There are reporters in Washington who swear that Klein drew a backstage role at the White House because Nixon did not think he looked good on television. But this factor is probably not as important as it might seem. Pierre Salinger, who closely resembles an overweight Mississippi riverboat gambler (he once played the role of a crooked lawyer on Batman, experienced relatively few credibility problems as President Kennedy's press secretary. By contrast, Arthur Sylvester, whose beatific countenance could pass for that of an Anglican bishop, achieved undesired fame as Robert McNamara's press spokesman by coining the phrase the "right to lie."

From the start, however, Nixon's communications director played an ambiguous role; on the one hand he described himself as a sort of ombudsman, whose job was to "get more information out" by persuading the departments to cooperate with the press. And Klein did win some plaudits from correspondents for opening doors within the government. But as one of the President's public-relations men, Klein also joined in the Nixon Administration's general attack on the news media. Appearing on a TV panel show in November, 1969, for example, he warned that unless the news media, both newspapers and television networks, reexamined their handling of the news, "you do invite government to come in." In time, it became increasingly difficult for Klein to pretend that he served two masters, the press and the President.

The communications director began to spend more time on the road, making speeches and extolling Administration policies. "Klein," said one White House official, "is ambassador to the boondocks." As a sort of traveling salesman for the Nixon White House, Klein argued for the ABM, had a kind word for the military-industrial complex, predicted Clement F. Haynsworth would make a "great" Supreme Court Justice, and praised the silent majority. Before a group of college students at Northern Illinois University, he attacked Senator George McGovern's proposal to expand the food-stamp program. Food stamps, Klein explained, would not end hunger: "A lot of mothers will go out and buy a Pepsi-Cola or a Coke for their children instead of milk. Or they might buy a lot of potato chips for them to eat."

In Washington, Klein presided over Saturday-morning sessions of the Image Committee, whose regular members were himself, Dwight Chapin, and Special Counsel Charles W. "Chuck" Colson, then the eminence grise of the White House p.r. operation. At one such meeting, reported by Allen Drury, the committee's agenda included the question of whether information about the President's reading habits should be provided to several magazines that had requested it. The committee decided this was extremely sensitive, because if it were revealed that he read anything "frivolous," someone would surely use this as the basis for "snide criticism." The committee then turned to another problem: "How to counter the theme that the President is heartless and cold." The discussion became vehement and centered on the fact that "a little black poster girl had been turned away without having her picture taken with the President," a gaffe that aroused criticism in the black community. It was noted by the committee that the girl and her parents would be invited to a Sunday worship service at the White House; perhaps the picture with the President could be taken then. The meeting of the committee began at nine-thirty a.m. and ended just under three hours later.

Klein also presided over occasional informal meetings with information officials from the departments, usually held in Klein's office over drinks and peanuts. At these p.r. encounter groups, the government publicists were encouraged to run ideas up the flagpole and air their collective problems.

At one of these sessions, Klein stressed the importance of tipping off the White House when embarrassing news was about to break. In October, 1971, after Nixon nominated Mrs. Romana Banuelos to be Treasurer of the United States, but before she had been confirmed, U.S. immigration agents raided her Mexican food-packaging plant in California and seized thirty-six Mexican workers as illegal aliens. It developed that the firm had been raided six times in four years for the same reason. Someone had called the communications director before the story broke—presumably it was a p.r. man for the Immigration Service—and the White House had a few hours' notice, Klein said. "I can't tell you," Klein added, "how important that is—to have some forewarning."

To commemorate the year 1971, Klein's office distributed to the press an amazing thirty-four-page, single-spaced mimeographed document entitled "Richard Nixon's Third Year." "In the year now ending," Klein's encomium began, "President Nixon moved vigorously on both the foreign and domestic fronts. . . . It was a year of both initiatives . . . of large conceptions, of daring innovation . . . a year of bold action based on meticulous preparation. It was a good year, that promises much for those to follow. . . . In its first four months, the New Economic Policy has been enormously successful. . . ." And so on.

Upstaged by Ziegler, Klein by 1971 found himself squeezed from a new direction in the person of Charles Wendell Colson. As Special Counsel to the President, Colson's job ostensibly was to deal with organized interest groups. In fact, he moved powerfully but quietly into the field of public relations. Wheeling and dealing backstage, his hand usually hidden, Colson had succeeded by 1972 in building a mini-public-relations empire inside the White House, unannounced and out of public view. In classic Washington tradition—the bureaucrats call it "layering"—Colson had created a third public-relations power center, wedged in above Klein and rivaling even Ziegler.

Colson, a tough, ambitious operator, made it to the White House via a background in Republican politics and law. A New Englander, he went to Brown University, served as a company commander in the Marine Corps during the time of the Korean War, and by age twenty-five was administrative assistant to Senator Leverett Saltonstall, the Massachusetts Republican. He attended law school at night, got his degree, and in 1960 formed what is now the large Washington law firm of Gadsby & Hannah, who have been lobbyists for Grumman Aircraft and other corporate interests. He played a significant role in Nixon's 1968 campaign, and in November, 1969, the President brought him to the White House.

There, Colson quickly earned a reputation as a political mechanic and a sort of improper Bostonian. "Chuck Colson," John Pierson wrote in The Wall Street Journal, "is a hatchet man." It was Colson who delivered a crucial witness to Life reporter William Lambert, resulting in publication of an exposé that contributed to the defeat of Democratic Senator Joseph Tydings in 1970.

Colson was responsible for other politically inspired leaks. Often he pulled the strings and got subordinates or other White House staff members to make the actual contact with a newsman; the technique made it harder to trace the story to Colson. But Colson also operated on a straight p.r. level; he arranged for Nixon to accept a hard hat in 1970 from Peter Brennan, leader of the construction workers' union in New York, who went on during the 1972 Presidential campaign to play a key role in organizing a committee of two hundred labor leaders for Nixon, and became Secretary of Labor in Nixon's second Administration.

Colson gradually took over more and more of Klein's functions. Within the White House, some of Klein's critics had argued that he was too nice, and not enough of a tough political operator to handle the job of Presidential public relations. Robert B. Semple Jr., then the White House correspondent of The New York Times, put it this way in an interview: "If the title of 'communications director' meant propagandizing for the President, then there was a need for a guy with an intensely sharp political mind. And they have since found him—Chuck Colson."

Besides Ziegler and Klein, as Semple analyzed it, Nixon and his advisers perceived

the need for a third type of operator, "a man who could conduct p.r. political warfare on an activist level. They needed someone who would ask, 'How do you answer John Kerry? How do you organize a citizens' committee to beat the drums for Phase Two?'" Colson in fact organized a group of veterans to compete with Kerry's anti-war Vietnam vets, and helped create the Citizens for a New Prosperity in order to promote the President's economic policies.

As Colson's influence expanded inside the White House, he reached outside to strengthen his public-relations power base. Colson urged Nixon to appoint a top diplomatic correspondent to handle foreign-policy image-making and advise Ziegler and Henry Kissinger. At the President's direction, Colson contacted John Scali of ABC, an experienced reporter and the secret intermediary who had helped President Kennedy to end the Cuban missile crisis.

In two talks with Nixon, Scali was persuaded to take the job of special consultant to the President; in December, 1972, Nixon named Scali U.S. Ambassador to the United Nations.

Colson's own image became somewhat embarrassing, however, after he was linked in the press to the Watergate bugging scandal through Everette Howard Hunt Jr., one of the conspirators, whom Colson had hired as a White House "consultant" in 1971. The two had met, the White House explained, as members of the Washington chapter of the Brown alumni club. The old school tie hastened Colson's departure, which was announced soon after Nixon's reelection. The President, Ron Ziegler explained, "regrets Chuck is leaving the Administration."

Presumably, the President also deeply regretted the departure of Dwight Chapin, which followed published reports that he had engaged in political espionage during the 1972 campaign; he had even, The New York Times said, used the alias "Mr. Chapman" in these activities. And there were recurrent unofficial reports that Herb Klein might soon be leaving too. Polishing the Presidential image was not without its hazards.

In addition to Ziegler and Klein and their deputies and staff, Nixon also employed a speech-writing team of sixteen persons—the largest in White House history—as well as four aides to monitor the news media and compile the "President's Daily News Briefing," a private news digest of about 6000 words prepared for the President each morning In addition, the President had a television adviser—first Roger Ailes (who was paid by the Republican National Committee), and later director Mark Goode. The television adviser worried about camera angles, make-up, lighting, and technical details. Finally, the White House employed a staff of official photographers. Although the White House understandably never issued a press release on the subject, a conservative estimate would be that Nixon's public-relations staff, including all these categories, numbered at least sixty people.

As in every administration, below the Presidential level there existed a large publicity and public-information apparatus extending into virtually every corner of the federal government. Yet no one knew his precise size or cost. One reason for this is that no official of the federal government has the words "public relations" in his title. Job titles vary, and in some departments an official serving as assistant to a Cabinet Secretary or as an "executive assistant" is, in fact, the top public-relations man. Below him, there is often a public information office that handles everyday contacts with the press.

It is down below, in the ranks, that counting government p.r. men becomes soupy. Some are deliberately hidden, it is true, under uninformative job descriptions; but, in addition, there is a legitimate problem of definition. Writers, editors, photographers, and others could be included in the definition of "public relations."

An indication of the scope of the information machine can be found, however, in a study published by the United States Civil Service Commission in 1968, entitled Occupation of Federal White-Collar Workers. Buried among its 162 pages of charts, graphs, and computer printouts are some revealing figures.

According to the study, in the category of "Information and the Arts" there were 20,380 employees working for the federal government in 1968, with an average salary of $10,742 a year. There were nineteen occupational titles listed in this broad category, and a few had little to do with public relations, strictly speaking. For example, the list included 165 "museum curators" and six "musical technicians." But even after these and other unrelated occupations are eliminated, the total still provides some indication of the dimensions of the information establishment.

Aware that the massive size of the government public-relations machine made it vulnerable to political attack, Nixon in December, 1969, wrote a memo to Haldeman urging that the Administration take "a very hard look" at the p.r. apparatus. "Every department is terribly overstaffed in this respect—it is one of Washington's worst self-perpetuating bureaucracies," Nixon wrote.

In November, 1970, this was followed by a formal Presidential memorandum to all departments and agencies. In this directive, Nixon ordered a "curtailment of self-serving and wasteful public-relations activities." The job of policing the Nixon order fell to the Office of Management and Budget (O.M.B.). This created a problem; the Executive Branch traditionally claimed it did not know how many public-relations men were employed by the government or how much was spent on such activities. How could the Administration reduce a program when it did not know its size to begin with? How much would be cut from what?

O.M.B. solved this dilemma by sending out questionnaires to the departments and agencies, asking them to report back on the cost and scope of their information programs. Based on the replies, O.M.B. estimated that the Executive Branch employed 6144 people in public relations (including Congressional relations) at a cost of $161,000,000 a year.

The budget office set as its target a reduction in public-relations spending of $45,000,000. O.M.B. then sent a new set of questionnaires to the departments asking how they had complied with the cutback order. The House subcommittee on government information sent out letters asking the same question.

The answers varied widely. The Pentagon claimed it had cut 991 people and $3,700,000 from its p.r. budget; the Department of Health, Education, and Welfare said it had eliminated sixty-eight positions and cut its budget by $1,600,000; other agencies reported smaller reductions.

Eight months after Nixon's directive was issued, O.M.B. officials announced that 1164 public-relations jobs had been eliminated at a saving of $9,400,000. No further figures were ever released although O.M.B. said it "thought" the goal of $45,000,000 would be reached.

There was a major catch to the Nixon cutback however. To the public, it appeared that the government was saving money and trimming fat from the federal payroll. In fact, the order did not require that any public-relations personnel be dismissed and the "cutback" did not save the taxpayers a penny. "The money saved on public relations," O.M.B. official George Strauss explained, "was used for something else—perhaps something else that might not have been done."

Strauss added: "Heads of departments seek shelter for their people. If a p.r. man is a speech writer for the head of an agency, he doesn't want to lose him, so they may change his job description. For example, sixty-eight positions were cut at H.E.W., but it did not mean they were fired. Many were clerical people. They just moved these people elsewhere and now they type for someone else. But this was not a vindictive approach to ruin people's lives or cut them from the payrolls."

Nixon's order contained an explicit Presidential warning against any department attempting to "circumvent" it. Yet the Interior Department received paid, expert advice on how to do just that. The advice came from an astonishing source—Harry Treleaven Jr., the advertising and media director of Nixon's 1968 Presidential campaign.

Treleaven, a grey-haired, fast-talking adman, was another alumnus of J. Walter Thompson, where he had produced commercials for Pan Am and Lark cigarettes. During the 1968 campaign he operated from an office in New York. After Nixon's election he set up his own public-relations firm in Washington, where he was closer to the honeypot. As a highly successful p.r. man—he had, after all, helped to elect a President of the United States—Treleaven might reasonably hope to do business with the new Administration.

The Treleaven affair provides a fascinating case study of the point at which public relations, party politics, and government secrecy intersect. The story began in November, 1970, when Nixon fired the outspoken Wally Hickel as Secretary of the Interior. As his replacement, Nixon chose Representative Rogers C. B. Morton, the Maryland Republican who was then chairman of the Republican National Committee. Morton's deputy at the National Committee was James N. Allison Jr., a former newspaper executive from Midland, Texas, who had managed George Bush's successful campaign for Congress in 1966. It was Allison who first got Treleaven into politics; he had persuaded him to come to Texas to serve as advertising director of Bush's campaign. Morton's nomination as Secretary of Interior was confirmed by the Senate on January 28, 1971, and he was sworn in the next day. Three days later, on February 1, Allison left the national committee to join Treleaven's p.r. firm, which was reorganized as Allison, Treleaven & Rietz, Inc.

On February 18, less than three weeks after he was sworn in as Secretary of Interior Morton hired Treleaven as a $121-a-day consultant. His task was to analyze Interior's public relations and apply his Madison Avenue expertise to "streamline" and "improve the image" of the department.

Treleaven turned in an eighty-five-page report which the Interior Department adamantly refused to make public—even though public information was its subject. Requests made under the Freedom of Information Act for copies of the Treleaven Report were turned down by Mitchell Melich, solicitor of the Interior Department, on the grounds that the report was "an internal communication," though later he replaced a portion to the House Government Information Subcommittee.

A copy obtained from another source sheds light on why Interior preferred to keep Treleaven's report secret. "The [President's] requested reduction in expenditures for public-relations activities has everyone totally confused," Treleaven told Morton. ". . . The fact is the information offices are finding it impossible to cut the kind of items that occasioned the request for a reduction, because they don't exist. The response, therefore, is to eliminate worthwhile items, or go 'underground'—i.e., hide expenditures in other budgets. The latter is probably the practical way out."

It was extraordinary advice. Treleaven was paid several thousand dollars of the taxpayers' money to advise a government de-

partment on how to hide federal funds in direct violation of a Presidential order. Treleaven estimated that the department's various public-relations offices "employ over two hundred persons and spend something over $2,000,000." But his report added: "It's virtually impossible to be precise about budgets, because many information activities are paid for by programs, or out of special permanent funds (like the Water and Conservation Fund), or are charged to administrative and operating budgets, or are privately funded. The total for the department is probably close to $4,000,000."

Treleaven was highly critical of Interior's public relations, however, terming its $4,000,000 effort "bland," and "too passive." In the television age, he lamented, most of the "senior people are print-oriented." Because of this, he said, "a top priority must be to develop ways of getting Interior's story on television."

Since the Interior Department's environmental responsibilities often bring it into conflict with corporate interests, Treleaven's next suggestion was startling. "The high cost of producing films has greatly restricted their use," he said. "However, some of the bureaus (Mines, Outdoor Recreation, and Fish and Wildlife) have been able to obtain private funds for their film programs. This is a source of money which should be sought energetically and systematically by the entire department." The Bureau of Mines had forty films available for distribution and "all but two of their films were produced and paid for by industrial sponsors—including Atlantic Richfield, Goodyear, Alcoa, Phillips Petroleum, Texas Gulf Sulphur, Johns-Manville, Phelps Dodge. . . ." Other bureaus "should take lessons from the Bureau of Mines in this area," the report added. If Treleaven perceived any conflict of interest in the Interior Department's accepting money from the industries it regulates, he did not say so.

Most revealing of all, however, was Treleaven's description of the goals of the Office of Information of the Secretary of Interior. Among the "objectives of this office" listed by Treleaven were: "to play a key role in helping develop new programs to mold public opinion in support of the Secretary and the Administration . . . and to head off or counteract adverse publicity resulting from events and activities that could put the department in a bad light, such as mine disasters, accidents in National Parks, etc.)."

This is about as candid a statement of the real purpose of government information as one will find anywhere in print. Small wonder that Interior labeled the report secret and set its lawyers babbling about "internal communications."

Technically, government p.r. is illegal. In 1913 Congress passed a law prohibiting the government from paying any money to a "publicity expert" without Congressional approval. The measure was introduced by Representative Frederick H. Gillett, a Massachusetts Republican, after the Civil Service Commission announced an examination for "Publicity Expert—Male" for the Office of Public Roads.

The bureaucracy easily bypassed the law by hiring "information" experts to handle public relations. The job titles under Civil Service today, for example, are "public information officer" and "public information specialist." A veteran government publicist sardonically explained the legal situation this way: "The fact is there are no public-relations men working for the federal government, and the words 'public relations' do not appear in the federal budget."

Below the policy level, many government information people are career civil servants who try, within the limits of their jobs, to handle information with a minimum of political distortion. And they serve a useful function; they answer questions from the press and public and prepare publications about government programs. Yet they are well aware that much government information is misleading. Mel White, a career information official at H.E.W., declared: "I'm with the government, and I don't believe half of what comes out of any government agency. And I resent that as a taxpayer."

Jack Rosenthal, once press secretary to Attorney General Robert F. Kennedy, divides government public-relations men into three categories. At the top, he said, is the policy-level adviser. He sits in on any important meetings, knows what is going on, and advises his boss on the public-information consequences of policy is the faithful mechanic. He is not at the policy level, but he can get the news out, handle the press leak stories, and build good relations with the reporters." Next is the "defensive p.r. man. This is the lowest rung on the totem pole. He is insecure. He does nothing but answer questions. He never does any leaking. He gives minimal answers, tries not to be quoted, and speaks on background. He is evasive and doesn't return telephone calls. He does the worst job for his boss."

Some of the projects dreamed up by government public-relations men are almost unbelievably banal. In 1969, when the Department of Transportation was pushing the supersonic transport plane, it printed and distributed 50,000 copies of a seventy-three-page Teachers Guide for SST, designed to help indoctrinate the nation's schoolchildren in the virtues of the controversial aircraft. One chapter, entitled "Supersonic Pussycat," tells the story of a rich cat named Marita whose mistress takes her to the French Riviera on an SST. "The day before we were leaving," the cat declares in the story, "I was sent to Fifi's. My silver fur was washed, brushed, and perfumed. My nails were done particularly well. . . . Bright and early the next morning, Mistress and I were off to the airport. . . . We made ourselves comfortable in the large roomy seats and before we knew it we were airborne . . . the pilot announced we were cruising at an altitude of 64,000 feet and at a speed of 1800 m.p.h.—faster than the speed of sound. Why, at this rate, I thought, we'd be in Paris in less than three hours. By the time I had a few slivers of liver (excellent, by the way) and watched a short movie, we had arrived."

Another story in the teachers' guide tells of Maxwell the Mouse, who was worried about sonic boom but found a house that had been soundproofed against jet noise. The booklet also encourages the students to "Play Airport." ("Have children take different roles of people concerned with an airport . . . pilots, stewardesses, traffic controllers, safety officer, etc.")

Apparently acting on the theory that it is never too soon to begin training the little p.r. men of the next generation, the booklet also tests the children with this question: "How would you write the advertisement for the first flight on the SST? How would you illustrate your advertisement to appeal to the interest of people?" All of this cost the taxpayers only $12,872.

It was, of course, a relatively small expenditure as p.r. budgets go. For example, N.A.S.A., with a $12,205,000 public-relations budget and a staff of 359, ranked only third among all federal agencies in public-information spending, according to figures provided by the Office of Management and Budget.* H.E.W. ranked second, with a public-relations budget of $27,400,000 and a staff of 737.

But the Defense Department had by far the largest public-relations operation in the government; according to O.M.B. figures prior to the Nixon cutback the Pentagon public-relations budget was $44,700,000 and had a public-relations staff of 3076 or just over half of all p.r. employees in the federal government by O.M.B.'s calculations. In 1972 the Pentagon said it had 2274 public-relations officials of whom 1649 were in the Armed Services. According to the Pentagon's figures it spent $44,000,000 on public relations in 1969, $40,000,000 in 1970, $29,000,000 in 1971—as a result of the Nixon order and Congressional cuts—and $25,600,000 in 1972.

But Representative Jonathan B. Bingham, Democrat, of New York, charged in a 1971 speech on the House floor that in listing its public-relations expenditures, the Defense Department had omitted several agencies that spent more than $48,000,000 in 1970. Bingham made public a G.A.O. report on these Pentagon agencies. He said it confirmed that "there are nests of public-information activities and expenses in the vast Defense establishment that continue to be hidden from the Congress." Bingham said the agencies that spent the $48,000,000 produced materials ostensibly for "internal use" by the military. The same materials, he said, "in fact are also widely distributed and presented to the public."

The Pentagon's public-relations programs cover a breathtaking array of activities, ranging from V.I.P. tours of military installations for community leaders and businessmen to providing aircraft carriers to Hollywood film makers. Since 1963 the Pentagon has even hired private firms to monitor and record all radio and television newscasts in Washington dealing with military or diplomatic events. According to a Defense Department spokesman, the purpose of this monitoring, which costs about $20,000 a year, is to keep informed "on what's being said about us." The intensity of the Defense Department's interest in "what's being said about us," as well as its sensitivity to criticism of its public-relations effort, became apparent during the flap generated in 1971 by the CBS television special *The Selling of the Pentagon*. Congressional friends of the military unsuccessfully demanded access to CBS outtakes—the portions of film not used on the air—and went so far as to threaten network president Frank Stanton with a jail term for contempt. Perhaps, when all is said and done, Mylai provides a better insight than anything else into the government-information process. In his book, *My Lai 4*, Seymour Hersh reports that Jay Roberts, the Army correspondent who covered Charlie Company's attack on the hamlet, knew very well that most of the dead were civilians; he had personally counted at least fifty bodies. Roberts wrote a story based on the false official version and gave it to the brigade press officer, Second Lieutenant Arthur Dunn, who knew it looked fishy. But Dunn dictated a similar story for division headquarters, and explained later: "If I had known there was a massacre and let somebody write about it, I would have lost my job."

*The figures, for fiscal 1971, were compiled by O.M.B. before the reductions ordered by President Nixon went into effect.

ENERGY AND FUTURE FOREIGN POLICY

Mr. McCLURE. Mr. President, the long-range implications of our present energy problems have not been receiving the serious attention required to awaken the American people as to what the future holds for our society. Regardless of the existing controversies, and charges and countercharges, surrounding fuel shortages, there are some undisputed facts upon which we could base the economic and foreign policy portions of a new national energy policy, or at least which should be given full consideration.

Economically, the United States is facing the prospect of importing anywhere from $20 billion to $30 billion

worth of oil, annually, within a short time of 10 to 15 years. From a foreign policy viewpoint, we have to understand that the bulk of this oil will come from, and the dollars will flow to the Arab States of the Middle East, particularly those states bordering on the Arabian Gulf.

At present, U.S. military and international policies do not appear to be considering the implications of these two facts. In a recent series of five excellent editorials by Mr. Joseph Alsop, the price that we might have to pay for such neglect of reality is accurately assessed. I ask unanimous consent that Mr. Alsop's columns be printed at the conclusion of my remarks, so that they may gain the wider dissemination and understanding which they deserve.

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

(See exhibit 1.)

Mr. McCLURE. Mr. President, I believe that the U.S. Government could begin now to offset some of the disastrous consequences of our present course. I urge consideration of immediate talks with those Arab States of the gulf region, concerning their futures and ours. It should be apparent to small, relatively defenseless nations that their increased wealth will attract additional threats to their future independence and freedom. And, a United States weakened by enormous balance-of-payments deficits and fuel shortages would not be in a position to balance threats from other world powers. The future stability and peace of the Middle East requires that the United States maintain its presence and capability to act in this unsettled region. I feel certain, however, that our Nation can reach understanding with the Arab nations, based on their future needs and aspirations, as well as our own, and without sacrificing the safety of nonoil or non-OPEC nations.

In February of this year, I spoke at the annual meeting of the National Rural Electric Cooperative Association, at which time I presented what I believe to be the necessary basis for our future understandings with oil-rich nations. Rather than repeat those points at this time, I ask unanimous consent that my speech be included at the conclusion of my remarks today.

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

(See exhibit 2.)

Mr. McCLURE. Mr. President, I believe that the time for a new policy toward energy- and oil-rich nations is upon us, and has been for several years. It is obvious that the best interests of the United States should not be relegated to second-place in our future negotiations. At the same time, we cannot expect other nations to sell themselves to us a barrel at a time, or to drain their country, so that their future generations will revert to pre-oil poverty. Understanding, however, the mutual interests and concerns of all the nations involved will, I believe, lead to a brightening of the dark picture which we now face.

EXHIBIT 1

[From the Washington Post, April 9, 1973]

OIL: THE VULNERABLE JUGULAR

(By Joseph Alsop)

This is an invitation to join a voyage of discovery. It has been a strange voyage, always enlightening, but always cruelly and bitterly enlightening. Those who wish to join had better know, too, that the end of the voyage will be unpleasant—although it will tell volumes about the American future.

Hence the start of the voyage will be well to explain. Some weeks ago, the former Israeli ambassador, who was also one of the two chief minds behind Israel's victory in the Six-Day War, went home for good after a long experience in Washington. Itzhak Rabin is not merely a brave man, a good companion and a good friend. He also has one of the most far-thinking yet down-to-earth strategic minds this city has known in many years.

So it was a matter of pride that the house where these words are written was the last in Washington where he came to say goodbye and to have his final meal in America. In the talk at supper, the voyage in question really began with a fairly idle question:

"Now that it's all over, what impressions do you take home with you from your embassy here?"

Rabin answered that he had a wonderful time here, and in one way, was going home much encouraged. When he came to Washington, he had found the city wholly preoccupied with Vietnam, and dealing with all the more important matters in the world by a method of fumble, muddle and last minute improvision. Now, he added, "your policy has a clear, well thought out direction, and is bold and adroit, too. All that is very good."

Why then, he was asked, did he so carefully say, "in one way." Your oil problem, he answered shortly. You mean you think the Arabs will blackmail the United States into an anti-Israeli policy, was the natural reply. Not at all, he came back energetically. Israel can take care of herself "unless the United States joins with other nations to destroy Israel—and the United States will never do that."

"But why the oil problem, then?" was the next question.

"Because of its direct effects on you," he answered, "and because those direct effects will turn into indirect effects on Israel and so many other nations."

Begin with Israel and the other nations, he was asked. Oh, he replied a bit grimly, Israel is lucky. Israel has the will and wits to defend Israel. Beside China and one or two more, there are not many nations friendly to America that you can say so much about today. But neither Israel, nor China, nor any of the other nations now in the circle of America's friends can possibly achieve successful self-defense, in a new kind of world in which America has ceased to be a great power.

"Ceased to be a great power! My God, I thought you were talking about the oil problem," was the fairly horrified comment.

It was a natural comment, too, for how do most of us, as yet, think about the oil problem? In terms of greater costs, of possible fuel shortages, of our current difficulties with the balance of payments, and also of the Arab political blackmail—which the departing ambassador had dismissed. That, surely, is an honest summary of the way we now think about the oil problem. Perhaps sensing all this, Rabin went on, much more sternly and more earnestly:

"You do not think enough about the oil problem. I have been looking into it for months. It is much worse than you suppose—10 times worse. Your jugular, Western Europe's jugular, Japan's jugular, all run through the Persian Gulf nowadays. Yet you have no means to defend your jugular.

"This is why your country must cease to be a great power, unless you can find means to solve this terrible problem, which everyone has overlooked for too long. No nation can remain a great power, that has a wholly undefended jugular, waiting to be cut by anyone with a willing knife. No nation can be a great power, either that has an ever more worthless currency—unless it is a totalitarian state like Hitler's Germany or the Soviet Union, which the United States will never be.

"Look into the facts that the future will force you to face. Look into what those facts will do to your dollar. Look into the new strategic situation and see what those facts will do to your dollar. Then you will see that I am right."

The evening did not end there, but with affectionate farewells. Yet the terrible words thus spoken, by so wise and warm a friend of our country, could not be forgotten. So "looking into the facts" was the voyage of discovery, to be described in further reports in this space.

[From the Tulsa Tribune, Apr. 12, 1973]

DOLLAR DRAIN AND FOREIGN OIL

(By Joseph Alsop)

WASHINGTON.—Everyone talks about the "energy crisis." But that phrase merely sketches the surface of the problem. What threatens us—what has started already, in fact—is a permanent currency crisis, which will also mean a permanent inflation crisis.

In three years, on present projections, our dollars cannot be anything like what they seem today, although, God knows, a dollar is now worth little enough. As for our children's dollars, they may almost resemble the German marks of the 1920s, when people had to carry small change in suitcases.

All this, of course, is based on present projections. There are many things that can be done to protect the dollar, all of them highly unpalatable.

On the other hand, if these things are not done, both promptly and all-out, market forces will ruthlessly reduce our current lavish consumption of energy. This will produce something like an unending recession, but it will also alter the present projections radically.

Let us first examine the present projections, however. To begin with, a crisis situation has so suddenly arisen because of two kinds of past miscalculation.

We always overestimated our cushion of unused oil-production capacity through all the years when production was controlled in states like Texas and Oklahoma.

About a year ago, the last controls were removed. The result was only the most minimal increase of production. The cushion was largely a myth, created to beat the rationing system.

On the other hand, the growth of U.S. demand for energy from all sources was even more grossly underestimated. In 1970, to illustrate, President Nixon's Task Force on Oil Imports assured everyone the problem was quite manageable through the year 1980. In 1973, however, our oil imports of 6 million barrels a day are already far above the imports expected by the presidential task force in 1980.

In money terms, we shall have to find $9 billion to send abroad, mainly to the Persian Gulf, to pay for our 1973 oil imports. Even with the money thereafter repatriated by our international oil companies, this is a huge sum.

Such oil imports leave little hope of righting the sadly unbalanced U.S. balance of payments—which means a permanently weak dollar on the world money markets.

But it does not end there, by any means. American energy demand is growing ceaselessly, while American production, especially of natural gas, is also beginning to decline.

In 1975—only two years from now—we shall have to find $15 billion to pay for our oil imports. And this assumes that world oil prices do not go up, either because of another dollar devaluation or simply because of the enormous pressure of demand from Western Europe and Japan as well as the United States.

A little further down the road, the projections are a bit more uncertain. The more optimistic forecasts for 1980 have us paying out $24 billion for foreign oil in that year. The pessimists raise this sum to $30 billion.

As for 1985—when children born last year will just be entering high school—the optimist-pessimist spread is between $30 billion and $70 billion for our foreign oil costs!

The optimists' figures for the future, it must be added, again make no allowance either for further loss of value of the dollar or for further increases in world oil prices. They are like weather forecasts, in truth, that make no allowance for storms that any sane weather forecaster ought to allow for.

Furthermore, these are not oil company figures, although they parallel the projections recently made by the Shell Oil Co. Instead, they come from briefings now being given to senators and leading congressmen by the staff of the Congressional Joint Committee on Atomic Energy.

The sponsors are the committee chairman, Rep. Melvin Price of Illinois, Rep. Chet Holifield of California and Sen. John Pastore of Rhode Island. All are Democrats; and Sen. Pastore, a strong liberal Democrat, has personally begged all other senators to give ear to the dire facts.

The figures also mean an energy crisis of course. There will be local fuel shortages this summer. At least in a fair number of states, there may be gasoline rationing in the summer of 1974. The independent oil and gas distributors are due to suffer shockingly, if not to be wiped out. Short supply is the basic reason. Another reason is the greed of the big companies.

Yet inconvenience for many and heavy loss for a few are mere trifles compared to the national tragedy of a dollar with ever-lessening value. And even this is only the first chapter of the horror story.

[From the Washington Post, April 13, 1973]

A NATION WITHOUT POWER

(By Joseph Alsop)

What people so cheerily call the "energy crisis" is really like a viciously poisonous onion. Peel off the energy layer, and you find the U.S. dollar rapidly losing value, year by year. Peel off the money layer, and you find the end of the U.S. as a great power.

It is a truism, of course, that no bankrupt nation can play the role of a great power in the world. In and of itself, therefore, the threat to the value of the U.S. dollar is also a threat to the U.S. as a world power.

As previously reported, present projections show this country using $24 billion of imported oil in 1980, and more than $30 billion of imported oil in 1985. These are the lowest sensible estimates, but they are also nonsense-figures. Bankruptcy, or something very like it, will come before 1980 unless we change our ways. No one is going to give us such huge amounts of credit every year, and year after year, when we cannot possibly pay the money back.

Right here, is the greatest single difficulty of exploring this ghastly, suddenly urgent American problem. Even the most solidly based present projections cannot possibly come true in the end, simply because something will give way somewhere, and with a rending crash, long before the fantastic situations finally arise that even the optimistic analysts now foretell.

There is one thing that cannot and will not give way, however, which also has much to do with the American role as a great power. In brief, the Persian Gulf will be the main place, for a long time to come, where all the world but China and the Soviet Union must go to cover most of the world's enormous and swiftly increasing energy-deficit.

To get a crude measure of what this means, it is only necessary to return to the present projections, which come from the briefings of the congressional Joint Committee on Atomic Energy. By these projections, the Persian Gulf states—Iran, Saudi Arabia, Kuwait, Iraq, Abu Dhabi and other little sheikhdoms—will have an oil revenue of at least $16 billion in 1975, and without any further increases in the oil price! On the same highly optimistic assumption, the same states will have an oil revenue in 1980 of about $58 billion!

Once again, these are certain to be nonsense-figures in the end. Except for Iran, none of these oil-rich states has the ghost of a serious national defense. With one or two other exceptions, none of these states has a stable political system. Most have tiny populations in proportion to their vast riches.

History is a harsh process, and history will not permit this lunatic situation to endure indefinitely. The Soviet Union, for example, is already prepared to give history a helping hand. By huge efforts and investments, and by shocking American negligence, the Soviets have established naval predominance in the Indian Ocean. Again by heavy investments, they have also established predominance in the snakepit politics of Iraq.

This means that the Soviets effectively stand astride of both ends of the Persian Gulf. If they move boldly, they can easily cut the oil-jugulars of the United States, and of Western Europe and of Japan. The Soviets are unlikely to do this, to be sure, unless we in the United States continue to neglect our national defense. But the U.S. Senate appears hell bent on just that kind of neglect.

If the Soviets remain passive, moreover, something else will surely happen to change the situation in the Persian Gulf. There are the local Palestinian refugees, for instance, so numerous, so energetic, so bitter against Israel, and such easy targets for the KGB. In any case, such inconceivable wealth cannot pile up indefinitely in such weak hands, without stronger hands reaching out from somewhere to take the wealth away.

Meanwhile, it is another truism that no nation can continue as a great power when its jugular is overseas, and is also at the mercy of anyone who comes along with a sharp knife. When Britain was a great power and oil was first becoming important, Britain therefore moved to establish political control of the Persian Gulf. At the same time, Winston Churchill also made the British government the largest single stockholder of the British Petroleum Co., still second in rank of the huge international oil companies, but now without political protection like all the rest.

All that ended with a whimper, in fact, in the Suez campaign of 1956. Today, it is the great power role of the U.S. that is endangered by an exposed jugular overseas. And today, half the nations of the world conspicuously including Israel—and even Mainland China, in some measure, because of the Soviet threat—live in independence and go their own ways in relative peace precisely because the U.S. is still a great power. But maybe not for long!

[From the Washington Post, April 16, 1973]

EXTINCTION FOR THE FOSSIL FUEL AGE?

(By Joseph Alsop)

"We are in the deepening twilight of the fossil fuel age." Such is the message now going to all senators and representatives from the congressional Joint Committee on Atomic Energy.

It is a ghastly message. From our jobs to our price structure, just about every aspect of every American's daily life squarely depends on lavish expenditures of inexpensive fossil fuels. The immediate sign of this twilight we are entering, because this kind of lavish, cheap expenditure is beginning to be impossible, is what is misleadingly called "the energy crisis."

The phrase is not misleading because there is no energy crisis. It is misleading only because the crisis involves so much more than mere high gas prices and rationing of automotive gasoline. It involves unending inflation, because of continuous loss of value of the U.S. dollars. It even involves the end of the U.S. as a great power in the world.

These are the unavoidable penalties of vast, annually increasing imports of foreign oil, to cover our vast, annually increasing energy deficit. What, then, can be done about it? The answer, again, is ghastly. Here is a short list of measures that it is now urgent to take.

Item: To increase domestic oil production, open the entire continental shelf to oil production, including the whole of the Atlantic coast, the Gulf of Mexico, and the Santa Barbara Channel. Also double the present use of federal lands for oil production.

Item: To get more natural gas, remove all controls on natural gas prices, especially at the well-head—thereby giving the needed incentives for drilling much deeper and more costly wells.

Item: Invest something like 15 billion dollars to increase output of geothermal and hydroelectric energy by the approximate equivalent of 100 Hoover dams. For this, bite the ugly bullet, too, that the needed big increase in hydroelectric energy will call for big dams in national parks, wilderness areas, and even the Grand Canyon.

Item: Make enormous investments in oil production from our invaluable oil shale reserves. But again, bite the ugly bullet that large scale exploitation of oil shale will make horribly heavy calls upon scarce water resources, and will also necessitate digging up vast areas of western landscape—although some of the possible processes permit the landscape to be put back again later on.

Item: Get the equivalent of 50 Hoover Dams from solar energy exploitation—and require almost all home heating and cooling in the sunny Southwest to be converted to solar energy.

Item: Then build 1,000 nuclear power plants of 100 megawatts each between 1980 and the year 2000—with plants going in at a rate of more than one a week after 1985. As of now, a single 100 megawatt plant costs about $1 billion. Yet we have to go from the baseline of today, when our nuclear power production equals the national output of energy from firewood, to a new stage where a very large share of the total energy we consume will be nuclear in origin.

"Ghastly," then, is a modest word for the kind of steps the joint congressional committee is listing for its horrified audience on Capitol Hill. But just consider the present, quite natural fury over high prices and inflation. Even food prices would be drastically lower today, if we had not already been forced to devalue our dollar so often. The devaluations were forced upon us, in turn, because we were buying abroad far more than we could sell. In short, our payments were unbalanced.

So consider the following trade-offs. First, if the Alaska pipeline had been promptly

built when the great Alaska oil field was found, we should today be saving over $2 billion a year on the balance of payments. Second, if exploitation of the Santa Barbara Channel had been pressed forward despite the famous oil slick, we should again be saving about $2 billion on the balance of payments. Third, removing tetra-ethyl lead from gasoline and otherwise cleaning up automobile exhausts, is already costing about $1.5 billion on the balance of payments.

So there you have some of the price of increasing oil imports. We can have non-stop inflation because of permanently recurring dollar devaluation—which is now the prospect. Or we can stop trying to have our cake and eat it, too, and we can begin to worry about trade-offs. This can mean a lot of other unpalatable things, such as putting refineries and deep water ports where they are unwelcome. Yet we cannot have it both ways.

We are lucky, nonetheless, for the long pull, we have a better chance of getting on top of the energy problem than the western Europeans or the Japanese. But for the moment, this seems a thin consolation.

[From the Washington Post, May 11, 1973]

ENERGY CRISIS: THE COMING PUBLIC RAGE

(By Joseph Alsop)

If President Nixon survives the Watergate horror, his reproaches to his departed staff members may not end there. At a minimum, the men who ran the White House for Nixon ought to have stopped the Watergate tomfoolery before it became a horror. But meanwhile, it appears they also went pretty far to strike the most useful counter-issue from the President's hands.

There are two points here, both quite simple; and only the first concerns the former White House staff. Briefly, the cabal that used to run the White House for the secluded President strongly intervened to influence the President's recent message to Congress on the energy crisis. In the last analysis, the leaders of the cabal were the ones who made the message into a proposal to use a poultice to cure a cancer.

The Byzantine motives that produced this result are as yet unknown. But what happened is easily known. The man who had been the White House expert on energy, the tough, knowledgeable, far-sighted foreign service specialist James Akins, was sent into outer darkness. The economist Charles Di Bona, a rather feeble compromiser with little knowledge of the problem, was instead brought in to do the President's homework for him.

The result was what you might expect. The message was a poultice to cure a cancer in the sense of only paying the right kinds of lip-service. It muffled the hard realities of the crisis rushing down on this country. It did not insist on any of the hard measures needed to meet the crisis.

The President may well end by bitterly reproaching his former staff for this result, because he is such a profoundly political man. The energy crisis, in turn, has unlimited political potential. It has many aspects, to be sure. It threatens the soundness of the currency. It can bring on unending inflation. It can end the U.S. role as a great power in the world.

But before it does any of these things, which are relatively long term, this multifarious crisis will have a short term political effect. If the President had sent the Congress a bold, tough energy message, he could have used the political effect on the energy crisis against his opponents. But he sent the opposite kind of message. So he must now hope his opponents will obligingly make trouble for themselves—as they have done before.

In this respect, Washington at present is a bit like a city that can only talk about a monstrous breakdown of the sewage system—nasty and smelly enough, God knows!—while the flames that may engulf three quarters of the city crackle merrily in the inner suburbs. The chances are better than even, in other words, that the energy crisis may burst into political flames before the 1974 election. Then the voters will largely forget the Watergate horror in their rage at their own discomfort.

Almost no politicians of either party appear to be prepared for this grisly result. Yet the odds are certainly better against both a cold summer and a warm winter. We need a summer when people will not want to use motor gasoline to travel or even go to the woods or the shore with their families. And need a winter when few will need to expend much oil or natural gas to heat their houses. Then all may yet be well.

The weather is crucial, because we already have a minus-margin of useable energy. The signs are everywhere already; the weaker independent gas and oil distributors are beginning to go to the wall. The gas stations not belonging to the big companies are beginning to open only part-time, or are actually shutting down. One of the larger oil companies, Amoco, has already announced it will allow only 10 gallons (instead of a full tank) to any customer of a gas station on an inter-state freeway.

In motor gasoline, the deficit for this summer is estimated at somewhere between 5 and 7 per cent less. It does not sound like much. But any deficit makes bad trouble; and there will be a worse deficit, if we have a bright, hot, travel-encouraging summer. Whatever happens, moreover, gasoline allocation to priority users will all but certainly be needed—for instance to make sure the farmers have enough fuel for the machinery that will harvest the late summer crops.

Whatever happens, too, our inadequate American refineries will be producing gasoline all summer, instead of building up a back-log of home-heating oil. In the past, we have always gone into the winter with such a back-log. Add a normally tough winter, then, that will leave us with a really serious shortage of motor gasoline for the summer of 1974. You can then see why the insiders of the energy business fear there may be rage throughout the country before the 1974 election.

Maybe, too, the President can still exploit that rage, because his opponents will be even more negligent than he has been.

EXHIBIT 2

EFFECTIVE PUBLIC POLICY MUST BE BASED ON FACTS

(Remarks of the Honorable JAMES A. MCCLURE, U.S. Senator, Idaho on the Energy-Environment Dilemma, NRECA annual meeting, Dallas, Texas, February 26, 1973)

As it is with other critical national problems facing us today, the apparent dilemma between our need for energy and our need for a safe, healthy environment is aggravated by a long list of myths. Some of these myths go back over a generation of debate and legislation, while others have evolved only within the past two or three years. The strife and wasted time caused by them is serious enough, but, today, when the Nation is faced with an immediate demand for an effective national energy policy, the myth-created delays and confusions are of too high a price for our society to bear. For that reason, I would like to share with you here this afternoon, in the short time that we have available, a brief analysis of some of the more serious myths that have been uncovered during Congressional investigations, both during the 92d Congress and, surprisingly to some critics of Congress, during the few short weeks of the still struggling 93d.

In order to be specific, I will confine my remarks to only two areas of concern: Technology R&D and foreign relations.

The first is a subject about which we have all read and heard much of lately, maybe more than we have wanted to. But, there can be no doubt that the long-range solutions to the energy-environment dilemma lie in advances in technology. But, there has been created a myth that R&D will also solve our immediate problems.

Fusion energy, for example, is often cited as the solution to our energy-environment dilemma. Expert testimony has established, however, that we cannot rely on having a proven fusion system before the 21st century. And, there will still be a considerable job to be done in bringing a controlled fusion reactor into commercial development, and then to begin construction of 1,000 megawatt, or 10,000 megawatt, power plants. In addition, this particular myth overlooks the basic fact that fusion energy is being developed primarily as a source of electric energy. By the year 2000, electric energy might be providing one-half of our total energy needs, but certainly not all.

We can expect, of course, that R&D in the field of fast breeder reactors will pay off before the fusion reactor is commercially available. But, as the new Chairman of the AEC, Dr. Dixy Lee Ray, has said, the LMFBR will be ready for commercial construction about 1982, at the earliest. With the legal questions being raised, now, 1985 might be more realistic. So, assuming construction lead times similar to present day, we can expect breeder reactors to be providing an appreciable share of our electric energy needs by the last decade of this century.

Now, before anyone forms the impression that fusion energy will not be advantageous, let me say that it will indeed be the electric energy source *of the future,* providing that technical feasibility can be demonstrated. But, a national energy policy should recognize that the United States will remain dependent on fossil fuels for the remainder of this century. Light water reactors and fast breeder reactors will play a vital role in supplying future clean energy needs, but we should not believe that their development and construction will relieve us of the serious problems which we face today. Their absence, of course, would certainly make our problems more serious.

As another example, the elimination of sulphur oxides as an air pollutant constitutes a fertile myth-providing field. I don't need to tell you representatives of the working rural electric systems that there is an enormous difference between successful laboratory tests on a process for removing sulphur oxides from stack gases, and final acceptance of a commercially proved system which can be installed on 500 megawatt units, and can be expected to operate at least 50 percent of the time, and not double operating costs. Unfortunately, there are so-called "experts" who have not yet recognized that distinction, and who insist that it is only some sinister greed which opposes reduction of sulphur dioxide levels, to meet standards, *and timetables,* which, in fact, have been established without consideration of "technical" or "economic" values, as called for by the National Environment Policy Act of 1969.

I am confident that we will have the technical means to remove SO2 from stack gases, that we will be able to remove sulphur both organic and inorganic, from coal, and that we will be able to gasify coal on a commercial basis. *But,* we do not have these means *now.*

To insist that sulphur removal capabilities equal need, now, is to generate a myth which affects several different aspects of a national energy policy, not the least being the future of coal in the United States. Utilities faced with impossible standards and timetables cannot pretend that coal is a feasible fuel. They must shift to either low-sulphur fuel oil or natural gas (unless they have found some way, unknown as yet to their

competitors, to license, build, and begin operating a nuclear power plant within a year or two). The myth, though, that natural gas is a viable alternate fuel is particularly puzzling. But, it persists. In Los Angeles, there are even proposals to force automobiles to convert to natural gas. The natural gas situation, however, speaks for itself. Not only is it out of the question as a fuel for *new* power plants, it will probably be denied to *existing* power plants within a short time. And, that in itself constitutes another myth: That it is possible for all gas-burning boilers to be shifted to alternate fuels. Today, it seems strange that a steam electric plant would be built to burn only natural gas, with no alternate fuel capability, but I think any criticism in this regard should be viewed in light of the economic, environmental and regulatory climate which existed at the time of original construction.

So, after even a cursory review of the facts concerning energy/environment R&D, it should be evident that many of the basic elements being relied on to support a national energy policy are, indeed, myths. And, any policy designed with the understanding that technology is presently available to "fill in the gaps" or to avoid the necessity for unpleasant political decisions, must be in itself irrational and doomed to becoming a part of the problem. The time and effort spent in evolving such a policy, and in discovering its uselessness, is just too rich a luxury for us to indulge in.

The area of foreign relations typifies a further example of how myths have resulted in lost time—several years of lost time—and have created a situation, which on the surface, looks beyond our control. Failure to recognize the facts concerning technology and lead times has made oil the major swing source of energy today. Utilities which cannot burn coal, and are being denied natural gas, and which cannot construct or operate nuclear plants, are switching to oil. And, this is occurring at a time when oil production in the contiguous United States has peaked.

Other myths have, at the same time, produced a foreign relations situation in which we are more dependent on the same nations on which our allies in the world are dependent.

It is no longer a pertinent argument to debate over whether we should import 12% of our oil from overseas, or 25%, or 35%. The myth of "instant production" has, I hope, finally faded away. It is generally recognized that three to five years are required to develop a new oil field. Two to three years are required to construct a new refinery. We can expect, therefore, that we will be importing at least as much crude oil and refined petroleum products during the remainder of this decade as we are importing now.

Before, though, I go into this situation, I would like to say just a few, brief words about energy conservation. This has been proposed as one solution to our energy-environment dilemma. It is a *partial* solution. To believe that the United States can conserve substantial quantities of energy, *during the next few years*, without serious political, social, or economic damage to our society, is a myth. We *should recognize* the *real savings* available by conservation, and *should* implement programs to *achieve* them. Conservation should definitely be a part of a national energy policy. But, we cannot afford the delusion that it will solve our problems.

Going back to the situation concerning increased oil production, to meet both energy needs and environmental standards, it is necessary to expose several sturdy myths. The first is that it is safer to import oil in tankers than it is to drill for oil offshore. This point was raised at recent Senate Interior Committee hearings, when the Governor of a New England State advocated unlimited oil imports into the United States, but expressed deep concern and reservations over the question of offshore drilling and production in the Atlantic Ocean. Now, there is no question but that offshore oil operations are a critical factor in protecting water quality. But, to assume that tanker operations are safer is a myth.

Oil pollution from tankers exceeds pollution from offshore wells by a factor of more than 10. In addition, tanker pollution often includes refined products, which are more toxic to marine life than crude oil. This is not to say that we should not worry about offshore operations. We should. But, we should not believe that we are going to solve our energy-environment dilemma by substituting imported oil for offshore oil. We will not. Taking into account the degree of governmental control available over offshore rigs, compared to foreign-owned oil tankers, we can safely assume that not only would accidental spillages be higher from tankers, but the incidence of deliberate discharging of oily wastes would be higher.

The final myth which I will discuss has two sides. The first is that we can avoid importing oil from the members of the Organization of Petroleum Exporting Countries—OPEC—during the next few years. We can't. The second side is that OPEC oil is cheap and reliable. It *isn't* cheap. And, we can't assume that it is reliable.

Prices are increasing, and I don't foresee any decrease for imported oil, barring a major economic depression, in which case energy and environmental concerns will probably become of lesser importance to the American public, and thus to the Congress and the Administration.

On the question of reliability, however, there is basis for hope; *but*, only if we can dispel some of the myths presently surrounding our foreign relations with OPEC Nations.

I should, incidentally, mention Canada who, though not an OPEC Member, is a major source of imported energy for the United States. Recent headlines, however, combined with past decisions and statements of the Canadian government should be sufficient to dispel any hope that Canada will sell herself to us a barrel at a time. The Canadians, very wisely, have recognized the necessity of long-term energy reserves for enlarging industrial capacity. If a country hopes to grow, and provide more jobs, more consumer goods, or more tax revenues, it must have energy. And not just 10 or 20 years worth. Thirty years looks like a minimum on which to plan for future industrial growth. For that reason, Canada announced strict controls over domestic energy resources. I don't know whether or not the Canadians expect Ford, General Motors, and Chrysler to move across the border, if energy supplies become too short here, but the idea may have entered their minds.

Our dealings with OPEC have suffered from similar hopes and misinterpretations of national goals. Our dealings with Arab Nations in the past seem to have been predicated on the simple slogan, "They can't drink their oil". Well, that myth should not be around much longer. And, I am not referring to the recent research for converting oil into edible protein. The Arabs have realized what simple arithmetic should have told us: You can make just as much money selling 10 million barrels of oil a day at 5 dollars a barrel as you can selling 20 million barrels at $2.50 a barrel. And this is where I believe that a major change in our energy-environment dilemma can be accomplished, by replacing the myths of Arab dependence and short-sighted greed with a realistic appraisal of Arab plans and aspirations.

To begin with, one major objection to importing huge amounts of oil is the serious undeniable harm which will be done to our balance-of-trade. The myth of Arab dependence, though, tells us that they will return the dollars, by buying more U.S. products. Even ignoring the present situation, where European and Japanese products are sometimes more competitive in our own country, much less in Saudi Arabia, we have to listen to the words of Arab leaders, which tell us what *they* think of the idea. As one example, the Saudi Arabian Minister of Petroleum and Mineral Resources was recently interviewed, and asked if raising the cost of crude oil to industrialized countries would only mean an increase in the cost of goods purchased in his country. His extremely articulate reply included the following logical plan for combatting any such problem. I quote from His Excellency Mr. Yamani's answer:

"Furthermore, Saudi Arabia should begin to industrialize and create viable industries within its territory not only to meet local demand, but for export as well. In this case, we can be competitive with other countries because our energy costs will be lower."

To me, this statement of goals is indicative of a man who understands the relationship between energy and the progress of a society better than some of the economic experts who are widely quoted nowadays.

Why, indeed, should Saudi Arabia, or Canada, or any other country with abundant natural resources, sell those resources so that they can in turn buy back manufactured products—especially if the country is one of the Arab Nations, which can expect within a few years to accumulate financial reserves totalling into the billions of dollars?

The history of Kuwait is a good illustration of the new reasoning which will be required to meet our future energy-environment needs. A generation ago, Kuwait was a relatively poor Nation. Today, they have proven oil reserves of about 66 billion barrels. The Kuwait government has announced a ceiling on oil production—one billion barrels per year. The action surprised some Western officials, but it should not have. Even at this frozen rate of production, the proven reserves will last only about two generations. And, the present leadership of Kuwait remembers what life was like without oil. Can we expect them to drain their country, so that their children and grandchildren can return to the pre-oil days? I think not.

Our approach to Kuwait must be based on the new realities of energy politics. They have the oil. They will sell it, but it won't be cheap. And, they will most likely prefer to sell it to someone who can show them how their children can live productive, healthy lives if the day arrives when they have no more oil.

Now, we know that you don't just run out of oil. It is there, but the production costs keep getting higher. But the Kuwaitis and the Saudis know as well as we do that if their *production* costs become too high, then we will naturally turn to our domestic sources of high cost oil, including the estimated 2 trillion barrels of shale oil. This, incidentally, is the problem facing Venezuela today, particularly with their heavy oil deposits.

For the next few years, at least, we will require large amounts of imported oil. If we will accept the facts—that it will not be cheap and it will involve environmental risks—then we can include this energy source into a rational national energy policy. At the same time, we will need to recognize that the reliability of supply will depend largely on our capability to work with the exporting Nations, so that they can protect the legitimate interests of their citizens, and their futures as civilized societies. We cannot expect them to sacrifice their resources to meet our needs. At the same time, we can expect the inherent friendships which do exist in some sections of the Arab world to give us a starting place for new financial and technical bargaining.

If we do not accept these truths, but instead continue to believe in myths, then we will surely find ourselves—in a very short

time—facing an energy-environment situation more serious than the dire warnings already sounded. For, if nothing else, Congressional investigations over two years, and more, have found no aspect of our lives which is not dependent on reliable energy.

I believe, though, that with the facts which we now have, we can replace myth with fact, and finally approve a long-overdue national energy policy.

Thank you.

LEGAL AID FOR RURAL POOR

Mr. HUGHES. Mr. President, at a time when the need for providing adequate legal aid to the poor is being widely discussed and various new approaches to this problem are being considered, I would like to call the Senate's attention to a unique program of this nature being conducted in Iowa by the Drake University Law School.

The Drake Legal Clinic, administered by law school seniors, has supplied scores of poor families in the State with free legal services that have been highly effective. One of the most interesting and successful phase of this work is the Boone County legal aid program that reperesents Iowa's only legal aid effort set up solely for the rural poor.

On April 22, the Des Moines Register carried a feature story about the concrete results of this unusual, student-run legal aid program. With the thought that this approach might prove useful in other areas where there are no established legal services programs, I ask unanimous consent that the Register's story entitled "Iowa's Only Legal Aid Plan for the Rural Poor" be printed in the RECORD.

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

IOWA'S ONLY LEGAL AID PLAN FOR THE RURAL POOR

(By Charles Harpster)

BOONE, IOWA.—Six Drake University Law School seniors are learning the law profession here by running Iowa's only legal aid program set up solely for the rural poor.

"Everybody's heard of legal aid for the poor in cities and ghettos," says Drake Law School Associate Prof. Daniel Power, who oversees the student-run Boone County Legal Aid Program.

"But there is just as much poverty on farms and in small towns and rural areas."

Actually, rural areas in Iowa have more poverty:

The 1970 U.S. Census found that 8 per cent of all Boone County families were living on incomes below a "poverty" level. That is fully one-third higher than the family poverty rate of Polk County, the nearest metropolitan area.

And throughout Iowa, more rural families (11 per cent, farm and nonfarm) were living below poverty standards than were urban families (about 7 per cent), the 1970 census found.

Regardless of whether a poverty-level family lives in the city or on a farm, Power feels they share the same kinds of legal problems—credit tangles, domestic squabbles, landlord-tenant disputes.

CHECKS DELAYED

Robert Westburg, 44, and his wife, Carol, 40, say the work of Drake law student Steve Hanson of Altoona saved them and their four children from being evicted from their Boone home.

Westburg, a disabled veteran and a diabetic, fell behind in his house payments because of medical bills and a foul-up that caused a five-month delay in receiving his pension checks from the Veterans and Social Security administration.

Late last fall, the Westburgs were given 30 days' notice to leave the house. The day before they were to receive their three-day eviction notice under the eviction procedure, Mrs. Westburg sought help from Dick Dearborn of Boone, a Disabled American Veterans volunteer worker. Dearborn referred the Westburgs to Drake Law School's Boone program.

Hanson, acting as the Westburg's attorney, succeeded through a series of personal pleas to the landlord's lawyer in holding off the legal eviction proceedings.

Through Dearborn's efforts, a loan was obtained to pay for the house in full. And with the money left over, the Westburgs installed new siding and storm windows on the house—which Mrs. Westburg said cut their maximum winter heating bill from $100 to $50 a month last winter.

"They set us up on our feet," Mrs. Westburg said recently. "Without the help, we would have lost our home. We were desperate."

Powers says the work Hanson did is typical of the kind of work the student lawyers will face in private practice. He believes there is a misconception about the work of lawyers—that they turn the wheels of justice with complex lawsuits, courtroom rhetoric and legal finagling.

PHONE CALLS

But he says he wants his students to learn that at least two-thirds of their clients' problems are met by making telephone calls, writing letters or personally contacting opposing parties. Court action is always a last resort, he says.

A young Boone woman, for example, was about $2,400 in debt, She came to the student legal aid program, located in the Boone County Courthouse here, for one reason: to declare bankruptcy.

Instead, senior Jim Sayre of Boone found that $1,000 of her debts were in a secured note on her car. Another $300 debt was written off because it represented unwanted merchandise the woman had received but never used.

Mostly through personal contact, Sayre persuaded the woman's creditors to give her more time to pay off her debts.

As a final touch, he prepared her federal income tax return and found she had a $250 refund coming. Bankruptcy filings weren't necessary.

Since the Boone Legal Aid program got its start last summer, it has dealt with more than 200 low-income rural clients, Power said.

Currently, six Drake Law School seniors are enrolled in the "class": Sayre, Jim Njus of Inwood, Chuck Schulte of Sac City, Tom Simon of West Des Moines, Frank Henkels of Dubuque and Tom Flynn of Des Moines. Hanson now is enrolled in another Drake legal aid program for students at Iowa State University in Ames.

"GAR ROOM"

Because of Boone County District Court policy, and possible conflicts with local private lawyers, the law students handle no criminal cases here nor any civil actions that are fee-generating, such as damage suits.

Their office—when they are not nudged into the halls by other local groups—is on the first floor of the courthouse in the "GAR Room," named for the Grand Army of the Republic women's group that has legal authority to use courthouse space.

Last year the Boone County Board of Supervisors granted the students $1,150 to help pay mileage expenses from Des Moines to Boone. Otherwise the students provide, without pay, free legal service to qualified low-income clients.

Some clients walk in, some ask for help by phone, but most are referred by a local veterans group or by three members of Mid-Iowa Community Action (MICA).

MICA Director Therese Riordon of Boone and staff members Bonnie Tolsdorf of Ogden and Phyllis George of Pilot Mound contact poverty-level residents of the county to refer them to various agencies that might help.

In another case in the students' files a newly married Boone couple—each 16 years old—found they were unable to pay their bills on the money the wife earned at a part-time job. With an infant child and no rent money, their only choice seemed to be to split up permanently and live with their own parents.

The couple was referred to the student lawyers by Mrs. Riordon. Dubuque senior Frank Henkels, acting as the couple's attorney, persuaded their creditors to hold back. Mrs. Riordon found the husband a full-time job.

FOOD STAMPS

Henkels showed them how to obtain food stamps and secured $75-a-month emergency rent money from the county. Within two months, the couple moved into an apartment and began repaying their debts.

The federally funded MICA program is soon to be phased out, Mrs. Riordon said. But she said she hopes by then the Drake program can sustain itself through word-of-mouth referrals and walk-ins.

"We'd hate to see the legal aid program go out of Boone County," she said. "It turns out that a phone call or letter usually solves the problem. But the young lawyers are able to do it because they know the law inside and out."

Power says that without the Drake program Boone County would have no formal legal aid set-up.

Veterans worker Dearborn estimated that if the 22 veterans helped by the legal aid program had gone to private lawyers, it would have cost them a total of $3,100, or about $141 apiece. The legal aid program was set up with the co-operation of the Boone County Bar Association.

The Boone program is just a part of Power's aim to have his students gain first-hand experience in all sides of the legal process—as trial lawyers, prosecutors, and judges' clerks in addition to the legal aid experience.

Last semester, 19 juniors clerked for federal and county judges in Iowa. Some assisted Polk County Legal Aid lawyers and others worked for Polk County prosecutors.

MISDEMEANOR CASES

The law school also operates a legal aid program for students at Iowa State University and at Drake, and handles certain misdemeanor cases of low-income clients referred by Des Moines Municipal Court judges.

In all, the Drake Legal Clinic is one of the state's largest practicing law firms.

One aim of the legal aid experience, Power said recently, is that future lawyers—many of whom come from wealthy backgrounds—will enter legal practice with "a taste of what it's like to be poor."

Moreover, Power said, he believes that concern for low-income or poverty-level clients is no more than what all lawyers—himself included—pledge to do when sworn in by the chief justice of the Iowa Supreme Court.

In part, the oath says, "I will never reject from any consideration personal to myself the cause of the defenseless or oppressed."

ENERGY CRISIS

Mr. BEALL. Mr. President, the energy crisis is of increasing concern not only to those of us who serve in the Government but also to Americans across the length and breadth of our country as they feel the consequences of a short supply of gas, oil, and other fuels.

The President in his energy message presented a constructive program to deal with this problem. We are also getting suggestions from legislators and interested citizens who, because of their experience, are especially qualified to talk on this subject.

One of these experts is Mr. C. Edward Utermohle, Jr., chairman of the board and president of Baltimore Gas & Electric Co. who recently gave a speech entitled "The Energy Crisis" at a meeting of the Anne Arundel Trade Council. The speech was well received by those who heard it and since its presentation has been widely acclaimed throughout the metropolitan Baltimore area for the thoughtfullness of its contents.

Mr. President, I ask unanimous consent that Mr. Utermohle's speech be printed in the RECORD so that our colleagues can have the benefit of this reasoned presentation from a man who knows what he is talking about.

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

THE ENERGY CRISIS

(By C. Edward Utermohle, Jr.)

Good evening, members and friends of the highly respected Anne Arundel County Trade Council—ladies and gentlemen.

My assignment this evening might be handled by a geologist; by two economists—one on the side of growth and one on the side of no growth; by any number of environmental experts if they could agree on who their spokesman should be; or by a political leader.

I lay claim to being none of these, but it is necessary for me to keep abreast of the fuel and energy outlook and to participate in making hard, and not always popular, decisions in what I hope is in the long-range interest of our customers, both present and future, and the owners of our business—our stockholders.

For instance, right now, our Company is trying its very best to increase the real property tax base of Anne Arundel County. We want to build a much needed electric power plant at Brandon Shores.You have all heard of it, I suspect.

We announced our plans for this plant in 1971. In our application to the Maryland Public Service Commission we were obliged to list the agencies whose requirements must be met in connection with construction or operation of the plant and related facilities. These include five Federal agencies, six State of Maryland agencies, four Anne Arundel County agencies, two Baltimore County agencies and three Baltimore City agencies. This adds up to a total of twenty governmental agencies involved in addition to the all important Certificate of Public Convenience and Necessity required from the Public Service Commission before actual construction can begin. Several days of hearings were held by the Commission in late 1972 and early this year, and a further hearing was held today, the outcome of which we do not yet know.

The estimated cost of the plant exceeds 275 million dollars and if its two generating units can be completed on schedule in 1977 and 1978, I leave it to you to judge the effect on the real property tax base of Anne Arundel County.

Now, I want to say something about the broader subject—fuels and energy.

You have been reading and hearing quite a lot recently about the so-called "energy crisis." Many of you wonder whether it exists in fact or whether it is propaganda. In my opinion it is real, it will get worse and it will last for several years, in length of time being dependent on how wisely and how promptly we, the American people and our leaders, act to alleviate the situation.

The President took an important step forward last week when he delivered his energy message to Congress. But much of what he urged can only be accomplished if Congress passes the several new pieces of legislation he recommended and if state governments cooperate. In the final analysis, the elected representatives in Congress and the state leaders will only act if they sense solid support by their constituents.

The factors involved are numerous and complex and I will try to cover only the major points. In order to understand what we can do to help solve the existing problems, it is helpful to review some of the history of energy supply that led up to present conditions.

In our lifetime we have been accustomed to an abundant supply of cheap energy. Our nation was generously endowed with rich deposits of coal, oil and natural gas that could be easily recovered for fuel. These readily available fuel resources together with developing technology have provided us with the highest standard of living in the world.

As our dependence on large quantities of energy grew, several factors have developed from unrelated causes to limit the current availability of usable fossil fuels.

1. As consumption of natural gas and oil grew, the most easily accessible deposits were tapped first. These were available primarily in relatively shallow deposits beneath the land of our southwestern states. These readily accessible deposits have been developed to the maximum by drilling wells to brings the gas and oil to the surface and are being rapidly depleted. New reserves of oil and gas exist at greater depths and in the shallow waters off-shore but the time required and the cost of drilling wells is much greater.

2. The second of the major factors of the energy crisis developed concurrently. In the 1950's, the Supreme Court ruled that the Natural Gas Act required the Federal Power Commission to control the price of natural gas delivered at the well-head. This control of prices, in the vain belief that it was protecting the consumer, kept natural gas prices so low that natural gas, the cleanest, most environmentally acceptable fuel is still being sold throughout the country at prices below oil and coal, when it should command a premium because of its quality. The net result of this policy of managed prices is that the incentive to drill more costly deep wells or off-shore wells is not sufficient to attract drillers and they have moved their drilling equipment to other parts of the world where the potential reward is greater for finding a producing well. The net result is that gas is not available for us to supply new commercial and industrial customers and may become unavailable for new residential customers. Thus the consumer enjoyed short term protection on price but lost the long term assurance of adequate supply. Regulation of the market place as a substitute for healthy competition may be necessary at times on a temporary basis but the economic laws cannot be bypassed for long periods without disastrous results.

3. The third and most recent factor affecting the energy picture is the concern for protection of the environment in which we live.

We are all environmentalists. We have to be if we are to continue living on this earth and passing it on to our children and their future generations. But it is much too late to revert to The Garden of Eden which may have had a pure environment until Adam and Eve had children. Extremist groups both within government and outside have used the National Environmental Policy Act to press for the unattainable. None of us can live, and hopefully prosper, on the earth without some effect on the environment. Yet the extremists have thus far succeeded in setting up regulations which are completely unrealistic if our Country's growing population and growing economy are to be supported.

We in the utility industry, and I believe most other fuel and energy suppliers, have been facing the problem of how to strike a balance between economically acceptable uses and environmentally acceptable uses of the limited and depleting natural resources available to us. I am referring to the fossil fuels of coal, oil and natural gas and nuclear fuel (uranium) as used in the present generation of nuclear reactors.

Our most abundant fuel in this country is coal; we have nearly half of the World's known reserve. Coal represents 88 percent of the total proven reserves of all fuels in the United States, including uranium. Yet now the coal industry is called upon to produce less than 20 percent of the total energy consumed annually in this country.

Much of the nation's coal reserves, particularly within reasonable distance of the Eastern Seaboard, are too high in sulfur content to meet today's air quality standards. Large sums are being spent on research and experimentation in efforts to develop satisfactory methods to reduce the sulfur content either before the coal is burned or during the burning process. We were involved in such a project at our Charles P. Crane plant up in Baltimore County, but it proved unsuccessful and the plant was converted from coal to low-sulfur oil. As far as I can determine, commercially reliable processes for burning higher sulfur coals and still meet stringent air quality controls do not now exist. Here is an area where the public, as it becomes more convinced that energy shortages can have serious adverse effects on living comforts and jobs, may demand some relief from what many people now regard as unrealistic standards.

In a recent talk before a convention of General Contractors in California, Mr. Ellis L. Armstrong, then Commissioner of Reclamation, pointed up the general public misunderstanding of the energy situation by quoting from a letter he received from an indignant woman in Chicago. In a lengthy letter to him she concluded along these lines: "Mr. Commissioner, when will you stupid bureaucrats ever learn that burning coal produces pollutants? It also defaces the land because of strip mining. I have been giving it a lot of study and I think you've got better solutions to the energy problem. Why don't you use electricity? It doesn't have any pollutants."

Electric utilities have been forced to convert many of their efficient coal burning plants to the use of low-sulfur oil. Our Company completed the conversion of all of our coal burning units in 1972 at a cost of over $21,000,000. We are retaining low-sulfur coal stocks in large volumes for use in emergencies if sufficient oil is not available.

Because of the shortage of fuel oil from wells in our own country, most of the oil that we and other east coast utilities use must be imported, mostly from Middle East countries. Our Company alone used oil costing $51,500,000 in 1972, a large part of which contributes to our nation's deficit balance of payments. It has been estimated that the importation of oil could double our trade deficit by the early 1980's. This is an extremely serious situation when we consider the current impact that trade deficits of 5 to 6 billion dollars have had on the value of our dollar abroad.

I mentioned that coal, although our most abundant natural fuel by a large margin, is supplying less than 20% of the energy we now consume annually. Oil and natural gas, for which proven reserves have declined to only a 10 year remaining life, supplied 78% of the energy we used in this country in 1972. About 4% was derived from water power at

hydroelectric dams and 1% from nuclear fuel.

What can be done about it? There are many days when utilities in many areas including ours could burn higher sulfur oil or coal without serious effect on air quality at ground level where people or vegetation could be affected. It is only during periods of atmospheric inversion or stagnation, which occur but rarely in our area and over much of the nation, that there is the possibility of a serious accumulation of pollutants. Yet we, and other utilities, are required under existing air quality standards, to burn only the scarce supplies of low-sulfur oil or low-sulfur coal at all times. From the standpoint of conserving our natural resources and maintaining a manageable balance of payments in international trade, this does not really make sense. Our usable coal reserves could supply our electrical energy needs for centuries.

By proper use of weather forecasts and monitoring air quality, our use of fuels could be changed as required to protect the environment and conserve our nation's fuel resources. A more realistic approach to state air quality regulations is needed as urged by President Nixon in his energy message. The current Maryland standards are much more restrictive than required by Federal Standards. The state policy should recognize that the interests of the great majority of the voting public who rely on industry and commerce for their jobs (or their income from investments) can best be served by a balanced approach to environmental considerations instead of the extreme approach now being attempted.

Before leaving the subject of coal, may I remind you that xtensive research is being conducted which has promise of making it more acceptable for use as a fuel. A major joint government-industry program, which our Company is helping to support, is directed toward perfecting a process for converting coal into a clean burning gas equivalent to natural gas. Other experimental work is being done on the conversion of coal to liquid fuel and on other processes for conversion to electricity. These, of course, are not short-range solutions to our natural gas supply problems.

The Columbia Gas System has been striving to develop new sources of gas. In the trade, these are generally known as non-historic sources. Non-historic sources include Alaskan and, hopefully, Canadian natural gas, man-made gas produced from petroleum feedstocks and eventually coal, and imported liquefied natural gas.

Estimates presented us by Columbia Gas, prepared by highly qualified people, indicate that even after the non-historic sources begin to flow gas to the customer, it will do little more than replace diminishing volumes from historic sources unless major new deposits are discovered and placed into production. A promising area for this, according to many geologists, is the outer continental shelf along the East Coast, including Maryland. Can we in Maryland oppose such a development needed to supply our own needs when for twenty years nearly all of our gas has been coming from Southwestern states and their off-shore areas in the Gulf of Mexico? If I were a resident of one of the Gulf states I would take a pretty dim view of drilling wells in the Gulf to supply Maryland residents if Maryland will not allow drilling off of its shores.

Development, construction and operation of nuclear power plants has proceeded much more slowly than originally expected following the establishment of their technical feasibility in the decade after World War II. Our Company kept abreast of the early experimental and development work on the use of nuclear energy, including financial support of a number of groups working in this field. Following intensive engineering and economic studies we announced in May 1967 plans to build two nuclear generating units at Calvert Cliffs. Original plans called for the first unit to become productive in 1973 and the second in 1974. The cost of the completed plant and related transmission facilities was then estimated to be over $300,000,000.

We filed with the Atomic Energy Commission the necessary applications for construction and operating licenses, as well as a number of thick volumes of Preliminary and then Final Safety Analyses. Later, as required under the Environmental Protection Act, we filed more volumes of Environmental Reports and Supplements. Just as an aside—one set of these official public documents occupies several feet of shelf in my office, and we furnished some 300 sets of most of them to the AEC.

Think of the man-years of time required of government engineers, scientists and others just to read and analyze these volumes.

Now, I will say that we have not experienced as much delay in meeting schedules at Calvert Cliffs as has been the case with the plants of some other utility companies, but a pattern of delay is typical across the country. The delays result from bureaucratic action throughout the licensing process, changes required in design and construction, and opposition of environmentalist in addition to the normal problems of a large project. Many of you are familiar with the construction industry and you know that any delays add to costs far out of proportion to the length of the delays. This has been accelerating in recent years because of inflationary material price increases and soaring construction labor rates. Calvert Cliffs will cost over one-half billion dollars by the time it is finished and begins to produce power for our customers, with the first unit now delayed until 1974 and the second unit until 1975.

You are aware, I am sure that we cancelled plans for a second nuclear power plant at a Harford County site. I have said and I repeat that this does not change our firm conviction that nuclear power will become the major source of electric energy for the long-term future. Some nuclear plants are now operating and a larger number now under construction or for which reactors have been ordered, although experiencing delays, will be coming on the lines over the next 10 or more years. But these will be using up our limited economical supplies of uranium at an accelerating pace.

Before this supply is exhausted, the breeder reactor which produces more fuel than it consumes is expected to be proven for commercial use, possibly by the early 1980's. A large scale demonstration plant, jointly financed by government and the electric utility industry, will be built near Oak Ridge, Tennessee, at an estimated cost of about $700,000,000. There could well be other large scale breeder demonstration projects before one or more are accepted for commercial development.

Thus it is evident that ultimate long-term energy sources will not relieve the near-term shortages we are now facing. Relief for the next decade or more will depend on expanding our use of coal, developing new off-shore oil and gas wells, building the trans-Alaskan oil line and a gas line from Alaska across Canada and increased imports of petroleum products and liquefied natural gas.

Unless the citizens of our country are willing to accept a substantially no-growth economy (and I do not believe they will), it seems to me we have no choice but to proceed as rapidly as possible on all fronts.

Our Country should undertake the following without delay:

1. Unrealistic restrictions on the use of coal should be moderated as promptly as possible, thus relieving the mounting pressures on oil and natural gas.

2. The licensing process should be improved to avoid further delays by environmentalists in bringing nuclear power plants into productive use.

3. Imports of crude oil, petroleum products and liquefied natural gas should be increased until our domestic energy shortages can be overcome.

4. Off-shore exploration and drilling should be accelerated in all areas including the East Coast.

5. The Alaskan oil and gas pipelines should be built immediately.

6. Long-range solutions to energy supply shortages should be developed by heavy joint investment by government and industry in demonstration size plants to prove out technologies perfected in laboratories and by pure research in such areas as nuclear fusion.

With an orderly, balanced approach our Nation has the resources and skill to come out of our present dilemma and obtain adequate energy supplies and a safe environment, but we cannot achieve this orderly approach without public opinion to provide the support our legislators need.

STATEMENT BY SENATOR J. GLENN BEALL, JR., REGARDING THE PASSAGE OF S. 50, THE OLDER AMERICANS COMPREHENSIVE SERVICES ACT OF 1973

Mr. BEALL. Mr. President, only my presence on the Senate Commerce Committee's recently concluded visit to Europe, exploring new trade possibilities with the nations of both East and West Europe, prevented me from being present during the Senate's consideration of the fuel version of S. 50, the Older Americans Comprehensive Services Act of 1973. As my colleagues will recall, the Senate originally passed S. 50 on February 20 and referred it to the House of Representatives which acted on March 13. Rather than referring this measure to a formal conference committee, the appropriate committees of both the House and the Senate sought to resolve the differences in this bill in a more informal fashion. This approach gave us greater flexibility than could have been achieved in the conference setting and also made possible extensive negotiations with the President's Domestic Council so as to produce a bill that would be signed into law.

I was encouraged, during these negotiations, by the support we received from Mr. Harry F. Walker, the president of the National Association of State Units on Aging. Mr. Walker, who also serves as the executive director of the Maryland State Aging Commission, expressed his willingness to support any reasonable compromise that would receive the President's approval and be promptly implemented by the Department of Health, Education, and Welfare. Because of the spirit of cooperation, agreement was reached; and the President signed the measure into law on May 3, 1973.

Mr. President, as the ranking Republican member of the Subcommittee on Aging and a member of the Special Committee on Aging, I have a special interest in, and concern for, the well-being of our 20 million senior citizens. I have consistently contended that America's elderly citizens deserve a great deal more attention than they have previously received. I, for one, hold our Nation's

senior citizens in a position of great respect, for they have toiled long and hard in our Nation's factories, on its farms, in its armed services, and so forth; and they have earned the right to live their retirement years in security, dignity, and independence. We owe these senior Americans a debt of gratitude, for they are primarily responsible for the prosperity and the greatness that our Nation enjoys today.

Through their efforts and sacrifices, our Nation has reached unprecedented heights of economic prosperity, met the challenge of foreign aggressors, and created for all Americans a society dedicated to the full realization of the goals of our Nation's forefathers. Mr. President, during the past year, the members of the Subcommittee on Aging have worked to shape a bill that would achieve the fundamental objective of delivering social services to our older Americans in a prompt, efficient, and effective manner. The subcommittee chairman and the other members of this committee worked in an open and bipartisan manner to produce a bill that will significantly contribute to the well-being of older Americans.

I would like to briefly summarize some of the accomplishments which we have seen in recent years in our efforts to improve the livelihood of older citizens. Since I first came to Congress in January of 1969, I have had the pleasure of working with three Secretaries of Health, Education, and Welfare, Hon. Robert Finch, Hon. Elliot Richardson, and Hon. Caspar Weinberger, all of whom are men of great ability, great sensitivity, and great compassion for our aging Americans as well as other recipients of services in their area of responsibility. Former Commissioner John Martin is a dedicated public servant who is widely respected in the field of aging and did everything in his power to see that the Administration on Aging fulfilled its mandate.

One could hardly comment on the progress we have made in understanding and meeting the needs of the elderly without mentioning the role of Dr. Arthur S. Flemming. Dr. Flemming is a distinguished public servant and academician who has served his Nation in a variety of capacities in the last four decades. As the chairman of the 1971 White House Conference on Aging, Dr. Flemming brought together thousands of delegates and experts from across our Nation. He oversaw an immensely productive White House Conference which has generated the type of momentum needed to bring the problems of our Nation's senior citizens to the attention of all of our people. Since the White House Conference, Dr. Flemming has served as the Special Consultant to the President on Aging, which placed him in an excellent position to advocate the cause of senior citizens, coordinate interdepartmental governmental programs, and inform the public of possible solutions to the various problems confronting our older Americans.

Assisting Dr. Flemming in coordinating domestic programs for the aging is the Committee on Aging within the Cabinet-level Domestic Council. The creation of a Domestic Council, in general, and the Committee on Aging, specifically, reflects President Nixon's commitment to coordinate and deliver services to older Americans in a coherent, effective, efficient manner. It is now up to the Congress to take the decisive steps necessary to end the isolation, the neglect, and the indifference which have plagued older Americans for far too long.

I am very pleased that the President has now nominated Dr. Flemming to serve as Commissioner on Aging. In addition to his duties at the Department of Health, Education, and Welfare, Dr. Flemming will also serve as an assistant to Secretary Weinberger in his capacity as Counselor to the President for Human Resources. Thus Dr. Flemming will continue to have a significant impact on the formation of policy at the highest levels of our Government.

Mr. President, I believe that the enactment of S. 50 will make a very significant contribution to the well-being of older Americans. This legislation dramatically strengthens the Administration on Aging by upgrading it and moving it into the Office of the Secretary of Health, Education, and Welfare. In addition, it significantly expands the Administration on Aging's authority as well as its authorization levels.

Under this bill, AOA will strengthen State and local aging offices, and provide them with the technical know-how needed to meet the requirements contained in this legislation. Within each State, areas selected for priority consideration will receive funds to establish area planning and service agencies. These organizations will serve to coordinate existing social and nutritional services so that they can be effectively delivered to senior citizens who are in need of such services. It is not envisioned, that these regional planning units will directly deliver services to the elderly unless the needed services are unavailable from any other source.

Thus, we are talking about an apparatus that will coordinate programs conducted under the Social Security Act, the Department of Transportation, other agencies within the Department of Health, Education, and Welfare, the Department of Housing and Urban Development, and so forth. In addition, these area aging units will draw upon the resources of existing State and local services as well as nonprofit organizations designed to assist the elderly. At the present time, AOA lacks the authority to effectively coordinate the delivery of various social and nutritional services and I believe that this is perhaps the most significant reform contained in this legislation. In addition, this bill would provide for the establishment of a National Information and Resource Clearing House for the Aging, as well as State and local information and referral systems that will serve to place much needed information in the hands of our senior citizens so that they can resolve many of their problems by their own initiative.

S. 50 seeks to touch as many bases as possible with regard to the problems facing senior citizens. Under the provisions of this legislation we will be able to expand and improve our system of senior citizen centers; expand the volunteer programs for the elderly which are administered by the ACTION Agency; provide community service employment programs; promote expanded library facilities, reading services, and educational programs for senior citizens; train personnel to meet the needs for older Americans; undertake various gerontological research projects; as well as a variety of demonstration and special impact projects designed to further our knowledge with regard to problems of the aging.

Mr. President, I am an enthusiastic supporter of the initiatives contained in this legislation, and I am firmly of the opinion that a significant corner has been turned in our efforts to make life a little better for our Nation's 20 million senior citizens.

Mr. President, the Administration on Aging has compiled a title-by-title summary of the Older Americans Comprehensive Services Amendments of 1973 and I ask unanimous consent that this summary be printed at the conclusion of my remarks.

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

TITLE-BY-TITLE SUMMARY OF S. 50 THE OLDER AMERICANS COMPREHENSIVE SERVICE AMENDMENTS OF 1973

TITLE I—DECLARATION OF OBJECTIVES

States four objectives of the 1973 Amendments, which generally place emphasis on the need to make comprehensive social service programs available to older Americans and to insure their participation in the development of these programs.

Amends the objectives of the Older Americans Act by making access to low-cost transportation an objective of the Act.

TITLE II—ADMINISTRATION ON AGING

This title establishes the Administration on Aging and places it within the Office of the Secretary of Health, Education, and Welfare. AoA is headed by a Commissioner on Aging who is appointed by the President and confirmed by the Senate. The Administration on Aging is given primary responsibility for carrying out the programs authorized under the act.

It provides that the Commissioner shall be directly responsible to the Office of the Secretary and that the Commissioner's functions may not be delegated unless a delegation plan is first submitted to Congress and within thirty days of submitting the plan, the Secretary consults with the Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor. The plan will be effective sixty days after it was first transmitted to Congress.

The title assigns eight new functions to the Administration on Aging and expands one of its existing functions. The Commissioner in consultation with the Director of Action is authorized to encourage voluntary organizations to become involved in programs for the Aging.

Title II also requires Federal agencies proposing to establish aging programs or administering such programs to consult with and cooperate with the Administration on Aging. This title also creates within AoA a National Information and Resource Clearing House for the Aging which is authorized to collect, analyze, prepare and disseminate information regarding the needs and interests of older Americans. It will also carry out a program for the collection and dissemination of information about consumer interests of older persons, and will encourage the establishment of State and local information

centers and will provide technical assistance to them.

In addition, title II contains a section establishing a Federal Council on the Aging which will be composed of 15 members appointed by the President and confirmed by the Senate. The Council will assist and advise the President on matters relating to the needs of older Americans; review and evaluate the impact on the lives of older Americans of Federal policies and programs on the aging; serve as a spokesman on behalf of older Americans by making recommendations to the President, the Secretary of Health, Education, and Welfare, the Commissioner on Aging, and the Congress with respect to Federal activities in the field of aging; and undertake programs designed to increase public awareness of the problems and needs of our senior citizens.

The Federal Council on the Aging will also undertake various studies designed to further clarify the specific needs of the elderly and recommends solutions to them, with special emphasis on the impact of all taxes on the elderly and the effects of the formulae in Title III upon the States. The Secretary of HEW and Commissioner on Aging are authorized to provide staff, information, and other assistance to the Federal Council on Aging.

Title II requires the Secretary to publish general standards for evaluation of programs before funds can be released for activities under the Model Projects section (308) and the Training and Research Title (IV) of the Act, and requires that results of the evaluations of the programs be published annually as part of the annual report required of the Commissioner.

A joint funding provision is provided for in this title which is substantially identical to a section of which was previously in the Older Americans Act. It permits the establishment of a single non-Federal share requirement and a waiver of inconsistent contract or grant requirements.

Also included is a provision authorizing including appropriations for one fiscal year in the Appropriations Act for the preceding fiscal year.

Title II also repeals Title VIII of the Older Americans Act which previously authorized establishment of the Advisory Committee on Older Americans and various technical advisory committees, among other provisions.

TITLE III—GRANTS FOR STATES AND AREA PROGRAMS

Title III strikes Title III of the Older Americans Act, which concerns State and Community programs on aging, and inserts a completely revised Title III, of that subject. It contains authorizations for fiscal years 1973 through 1975, to enable the Commissioner on Aging to make grants to each State with an approved State plan under Title III, for paying part of the cost of (1) the administration of area plans by area agencies on aging, (2) the development of comprehensive and coordinated systems for the delivery of social services, and (3) State plan administration. For distributing the appropriations under this authorization among the States, a new allotment formula is provided, based principally upon the ratio of the State's population aged 60 and over to the total U.S. population of that age, but with floors to assure that every State receives a minimum allotment.

Each State is required, in order to receive funds and participate in the program, to designate a State agency as the sole State agency to develop an annual State plan and to administer the State plan within the State. The designated State agency is required to divide the entire State into distinct areas, referred to as planning and service areas, to determine for which of these areas an area plan will be developed, and to designate an area agency for each such area.

Each area agency on aging is required to develop an area plan on aging which meets certain specified requirements, designed to assure the efficient and effectiveness provision of services to the area's elderly.

Areas designed by the State agency to develop area plans will be allotted a major share of the funds allotted to the State for Title III services for the elderly, and funds can be made available to them on a more favorable matching basis (up to 90 percent Federal to 10 percent non-Federal) than to areas not so designated (maximum of 75 percent Federal). The State agency will decide how to apportion the area planning and social service funds allotted to it under the formula specified in the revised Title III, but it will be able to allot not more than 15 percent of its allotment for the cost of administration of area plans, and (after June 30, 1975) not more than 20 percent of the cost of social services which are not provided as a part of a comprehensive and coordinated system in planning and service areas for which there is an approved State Plan.

This section of Title III regarding model projects is also revised, principally by requiring special consideration in approving grants and contracts to be given projects designed to assist in meeting special housing needs of older persons, providing continuing education for them, providing preretirement education and information, and assisting in meeting the particular needs of the physically and mentally impaired elderly.

TITLE IV—TRAINING AND RESEARCH

Strikes Title IV and V of the Older Americans Act and reenacts their substance as a revised Title IV.

Requires the Commissioner, from time to time, to appraise existing and future personnel needs in the field of aging and the adequacy of the Nation's efforts to meet them, and to publish an annual report evaluating the plans and programs of other Federal agencies.

The Commissioner would also be authorized to make grants and to enter into contracts to:

Publicize opportunities for careers in the field of aging;

Encourage qualified persons to enter or reenter the field of aging;

Encourage individuals of various professions, vocations, and skills to undertake temporary or part-time assignments in the field of aging; or

Prepare and disseminate recruitment and training materials.

In addition, the authority to make grants or contracts to assist in training persons who are employed or preparing for employment in fields relating to aging is continued for three additional years in the revised Title IV. The revised Title IV also continues for three additional years the authority to make research and development project grants and contracts for:

Studying patterns and conditions of living of older persons;

Developing or demonstrating new ways of contributing toward wholesome and meaningful living for older persons;

Developing or demonstrating ways to achieve or improve coordination of community services for older persons;

Evaluating ways of assisting older persons to enjoy wholesome and meaningful lives and to contribute to the strength and welfare of the Nation;

Collecting and disseminating information concerning research and demonstration results; and

Conducting conferences to facilitate exchange of information.

The Commissioner is directed to conduct a comprehensive study and survey, including research and demonstration projects, of the transportation problems of older Americans and submit a report on his findings and recommendations to the Congress by January 1, 1975.

Another part of Title IV authorizes the Commissioner to make grants for the establishment of support of multidisciplinary centers of gerontology which will:

Recruit and train personnel;

Conduct basic and applied nonmedical research;

Provide consultation services;

Serve as a repository of information;

Stimulate the incorporation of information on aging into the teaching of biological, behavioral, and social sciences at colleges or universities;

Develop training programs on aging; and

Create opportunities for innovative, multidisciplinary efforts in teaching, research and demonstrations on aging.

Appropriations of "such sums as may be necessary" are authorized for fiscal years 1973, 1974, and 1975 for carrying out the programs under Title IV.

TITLE V—MULTIPURPOSE SENIOR CENTERS

Title V authorizes several new programs to assist in establishing and operating multipurpose senior centers. The Commissioner is authorized to make grants and contracts to pay up to 75 percent of the cost of acquiring, altering, or renovating facilities to serve as multipurpose senior centers. He may approve a grant or contract only if he determines that:

The facility will be used for a multipurpose senior center for not less than 10 years after purchase; there will be sufficient funds to meet the non-Federal share of the purchase cost; sufficient funds will be available for effective use of the facility; the facility will not be used for religious purposes; there are no existing facilities in the community suitable for leasing; the plans and specifications are in accordance with construction and equipment regulations; and workmen will be paid wages at certain minimum rates.

Appropriations of "such sums as may be necessary" are authorized for acquisition, alteration, or renovation of centers for fiscal years 1973, 1974, and 1975. Unobligated funds at the end of any fiscal year will remain available for the next year.

Title V also authorizes the Secretary to insure any mortgage (with a principal obligation less than $250,000) which covers a new multipurpose senior center, including equipment to be used in its operation. Not over 90 percent of the estimated replacement cost of the property or project, including equipment, can be insured.

In addition, a multipurpose Senior Center Insurance Fund is created to be used by the Secretary as a revolving fund for carrying out the Act's insurance provisions. Such sums as may be necessary are authorized to be appropriated to provide initial capital for the Fund and to assure the soundness of the Fund after it is set up.

In addition, Title V authorizes the Secretary to assist nonprofit private agencies to reduce the cost of borrowing from other sources for the acquisition, alteration, or renovation of facilities by making annual interest grants (over a maximum of forty years) to such agencies. Each grant is authorized to be in an amount not greater than the difference between the average annual debt service which would be required to be paid, and the average annual debt service which the institution would have been required to pay, during the life of the loan, if the applicable interest rate were 3 percent per year.

These interest grants cannot be entered into in an aggregate amount greater than is authorized in appropriations act and not more than 12½ percent of the funds provided for this purpose can be used within any one State.

Finally the new Title V authorizes the Commissioner to make grants to meet all or part of the costs of compensation of professional and technical personnel for the initial

operation of new multipurpose senior centers.

However, these grants are limited to three years and cannot exceed 75 percent of initial staffing costs for the first year, 66⅔ percent for the second year, and 50 percent for the third year.

TITLE VI—NATIONAL OLDER AMERICANS VOLUNTEER PROGRAM

Title VI of the bill makes several changes in Title VI of the Act, which relates to the National Older Americans Volunteer Program. One amendment prohibits consideration of compensation of individuals in the R.S.V.P., Foster Grandparent Program, and other Title VI programs as income for any purpose whatever. Another amendment extends and increases R.S.V.P. authorization to $15,000,000 for fiscal year 1973, $17,500,000 for fiscal year 1974, and $20,000,000 for fiscal year 1975.

It also broadens Sec. 611 of the Older Americans Act to authorize not only The Foster Grandparent Program which was already in existence, but also new "Older Americans Community Service Programs", under which the Commissioner is authorized to make grants and contracts to pay all or part of the cost of development and operation of projects to provide additional service opportunities for low-income persons aged sixty or over, to serve persons (other than children) having exceptional needs, including services as "senior health aides" to work with persons receiving home health care and nursing care, and as "senior companions" to persons having developmental disabilities. Title VI increases authorizations for the Foster Grandparent Program and extends the authorizations for the three years.

TITLE VII—NUTRITION PROGRAM

Title VII of the bill amends the recently enacted P.L. 92–258, which authorized the "Nutrition Program for the Elderly" as a new Title VII of the Older Americans Act.

Title VII of the bill amends section 707 of the Act to authorize the Department of Agriculture to donate surplus commodities acquired by it under two statutory authorities, in addition to the one already permitted by law, for use in projects providing nutritional services for the elderly.

The new title also permits nutrition projects assisted under this title to be made a part of the comprehensive and coordinated systems established under Title III, as revised by this bill, when mutually agreed upon by recipients of nutrition grants and contracts and by area planning and service area agencies.

It also provides that the 10 percent limitation upon costs of administration, which was already in the Act, will apply only to fiscal year 1973, and that, for fiscal year 1974 and subsequent years, the use of funds allotted to a State for State planning and administration under Title III may be used to administer the Nutrition program in that State, unless an Agency other than the State agency on aging has been designated to administer the nutrition program, in which case the Commissioner will determine how much of the State's Title III funds of that type can be so used. Finally it makes the Commissioner, rather than the Secretary, the officer of primary responsibility and authority for the Title VII nutrition program.

TITLE VIII—AMENDMENTS TO OTHER ACTS

Title VII amends the Library Services and Construction Act, the National Commission on Libraries and Information Science Act, the Higher Education Act, the Adult Education Act and the Economic Opportunity Act to make them more responsive to the needs of the elderly.

The Library Services and Construction Act is amended to authorize the Commissioner (of Education) to make grants to States for library services for older persons. These grants will be used for:

The training of librarians to work with the elderly;

The conduct of special library programs and the purchase of special materials for the elderly;

The payment of salaries for elderly persons who wish to work in libraries;

The provision of in-home visits to the elderly;

The establishment of outreach programs;

The furnishing of transportation; to enable the elderly to have access to library services.

Such sums as may be necessary are authorized for each fiscal year 1973 through fiscal year 1976 for grants to the States to carry out public library service programs for older persons. The National Commission on Libraries and Information Science Act is amended to require that the Commission authorized by that Act study and analyze the library and informational needs of elderly persons, and that at least one of the members of the Commission be knowledgeable with respect to the library and information service and science needs of the elderly.

The Higher Education Act of 1965 is amended to authorize the Commissioner of Education to make grants to institutions of higher education to assist them in planning, developing, and carrying out programs specifically designed to apply the resources of higher education to the problems of the elderly, particularly with regard to transportation and certain housing problems.

Such sums as may be necessary are authorized for the fiscal year ending June 30, 1973, and each succeeding fiscal year ending prior to July 1, 1977 for these programs.

The Adult Education Act is amended to authorize the Commissioner of Education to make grants for educational programs for elderly persons with limited ability to speak and read the English language. Such sums as may be necessary are authorized for the fiscal year ending June 30, 1973, and each succeeding fiscal year ending prior to July 1, 1975 for this program. The Economic Opportunity Act is amended to authorize such sums as may be necessary for fiscal years 1973 and 1974 for the Senior Opportunities and Services programs.

TITLE IX—COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Title IX of the bill authorizes a new statute called the "Older Americans Community Service Employment Act".

It authorizes the Secretary of Labor to establish an older American community service employment program to promote useful part-time work opportunities in community service activities for unemployed low-income persons who are 55 years of age and older and who have poor employment prospects.

The Secretary is authorized to enter into agreements with public or private nonprofit agencies or organizations which will provide employment for such persons in their own communities or in nearby communities. To be funded under the new Act, projects are required to meet certain requirements.

Up to 90 percent of the costs of projects may be paid by the Secretary, and he may pay up to 100 percent of the cost of emergency or disaster projects and for projects in economically depressed areas.

Furthermore the Secretary of Labor is required to consult and cooperate with the Office of Economic Opportunity, the Administration on Aging, and other related Federal agencies administering related programs, with a view to achieving coordination with their programs, and to promote coordination of projects under this act with other public and private programs or projects of a similar nature.

To carry out this program, there is authorized to be appropriated $60,000,000 for FY 1973 and $100,000,000 for FY 1974.

ANGUS CATTLE CENTENNIAL

Mr. DOLE. Mr. President, on May 17, 1873, the first Angus cattle in the United States arrived from Scotland at the Victoria, Kans., ranch of George Grant, and on the 100th anniversary of that event this week a special celebration will be held in Victoria to commemorate the event.

Traditions are important to American cattlemen, who recognize the historical significance of the Angus breed to our Nation's beef industry, and breeders from throughout the United States and visitors from all over the world are expected to attend the celebration. Among the special events will be a tour of the ranch property of George Grant whose house has been declared a national historical site. In addition, a world Angus forum has been set for October 1–4 in Kansas City.

LONG HISTORY

The early history of Aberdeen-Angus cattle is lost in the unwritten annals of the 17th and 18th century Scotland, but it was there—in the highlands of Aberdeenshire and Angusshire—that the breed emerged as the product of the black, hornless cattle native to that rugged country.

The first known historical reference to these polled cattle was in 1523, yet all evidence indicates that they grazed the rugged hills of northern Scotland centuries before that. It was only about 200 years ago, however, that the Aberdeen-Angus breed began to develop into the modern beef cattle we know today. The breed holds the distinction of being the only one bred solely for beef production from its beginning.

Prior to the early 1700's, cattle were raised almost exclusively as work animals. Meat and milk production were incidental. As a result, the polled, black cattle of northern Scotland were not in heavy demand as work stock. Farmers of that area imported huge horned oxen for plowing and other heavy pulling. Their native cattle were not selected for late maturity and heavy bone, rather they wanted animals which matured early and produced excellent beef.

At the same time, farmers began applying the world's first scientific cattle breeding knowledge, gained from the experiments of Robert Bakewell of Dishley, England. Animals began to be bred with the idea of producing better beef, and the popularity of Aberdeen-Angus cattle soon spread throughout Great Britain.

In the middle of the 18th century, the first records of the breed's progress were kept in Aberdeenshire, Angusshire, Kincardineshire, Banffshire, and Morayshire. The first herd book for Aberdeen-Angus cattle was established in 1862; although, many breeders kept ancestry records of their own stock long before this.

Despite early success in the British Isles, it was in Argentina, Canada, and especially in the United States, where the Angus breed was destined to make its most astounding progress. These countries, with vast plains and fertile farmland, were crying for more and better cattle in the late 1800's, even though two other major beef breeds were already well established in the United States.

ANGUS TO KANSAS IN 1873

The first Angus were brought to Victoria in 1873 by George Grant, a retired London silk merchant from Banffshire, Scotland. The first four bulls he brought to America were used to cross with Longhorn stock, and 1876 Grant had 800 crossbred Angus calves. The calves were said to have weighed about 120 pounds more than other crosses, and in the feedlot the cattle fattened rapidly and commanded the top price at markets around the Midwest.

Since the first Angus came to Kansas, these cattle have made a major contribution to the progress of agriculture throughout the world. The early farmers and ranchers of Kansas proved to the owners of beef cows in other States that Angus provided them the keys to a better way of life.

At the present time, more than 50,000 of America's most influential farmers, ranchers, businessmen, and professional people breed registered Angus, and thousands more raise unregistered Angus as a part of their vital role in improving the general health and nutritional level of the American people. Today, U.S. Angus cattle are recognized throughout the world for their ability to increase the protein level in diets of people everywhere. The governments and leading cattlemen of Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, El Salvador, Equador, Finland, Germany, Greece, Guatemala, Honduras, Iran, Ireland, Israel, Italy, Jamaica, Japan, Liberia, Mexico, Nicaragua, Paraguay, Peru, Philippines, Poland, Russia, Spain, Thailand, Turkey, Uganda, Uruguay, and Venezuela, and many other countries have come to the United States for seedstock and it can accurately be said Angus cattle have improved the lives of millions of people.

So the people of Kansas take special pride in this beautiful breed of cattle, and I am sure the Angus centennial celebration in Victoria will set the tone for a second century of the breed's contribution to the American way of life.

SMALL BUSINESS WEEK

Mr. BIBLE. Mr. President, May 13–19 marks the period for Small Business Week this year. This annual observance is a time when 8½ million small businesses are honored for their vital contribution to our Nation's economy. During this week many meetings, presentations, and other affairs are planned by and for small businesses. For instance, on Tuesday, the Small Business Administration will hold its sixth annual subcontracting conference and awards luncheon here in Washington. Their theme is "Small Business Speaks. Who Listens?" At this presentation the Small Business Subcontractor of the Year and the Small Businessman of the Year will be honored.

On Wednesday the Smaller Business Association of New England, the Independent Business Association of Wisconsin, and the Smaller Manufacturers Council of Pittsburgh, Pa., will make their annual presentation to Congress, highlighting problems and accomplishments of the small business community.

On Thursday and Friday, the Government Procurement Subcommittee of the Senate Small Business Committee will hold hearings on several recommendations of the Commission on Government Procurement which concern small business contractors. These are the first hearings on Capitol Hill on this most valuable report recently made to Congress. I am sure that the small business contracting community is most interested in these hearings and the work of this subcommittee in its search for improving the small business opportunities in Government procurement.

I might add that small business plays a most significant part in Government contracting. Last year, out of a total Federal procurement expenditure of about $60 billion, $12.5 billion went to small businesses. That is roughly 20 percent of the total Federal procurement dollars. Furthermore, in numbers of contract actions, the Department of Defense reports that, in fiscal year 1972, 69.3 percent of the total 9,021,073 actions placed with business firms were awarded to small business firms.

It is important, however, that we not delude ourselves by these encouraging statistics. There is the other side of this coin which represents the troubles of small business. For instance, the Dun & Bradstreet business failure figures indicate not only large-scale discouragement of long-established small firms, but also the failure of many others. This is reflected in the lack of competition, deteriorating quality of goods and services, unavailability of business services in some neighborhoods, and lack of economic opportunity. Furthermore, from a study of the tax rates, it is found that, while the statutory rate for small business corporations is 22 percent and 48 percent for large business, the actual effective rate is over 50 percent for smaller and medium sized corporations and less than half of that for the largest corporations. This is an unfair and unnecessary tax squeeze on the struggling businesses which most need relief from tax burdens.

With regard to current economic policy, the noted Economist Pierre Renfret, former adviser to President Nixon, is reported recently as saying—

I think free enterprise is dead. I think it's finished. The U.S. economy has been "Europeanized." It is a system of large companies which, with the cooperation of the Federal government, control the market. The Government, instead of doing things to promote competition—by encouraging small business to compete, actually promotes monopoly.

Mr. President, this is not a time to turn our backs on small business, but to give our wholehearted and undivided attention to it and its problems. I for one welcome these small business groups coming to Washington during Small Business Week and during other weeks of the year. We need the most important role they play in the competitive marketplace, just as they need the assistance and encouragement of the Government to continue to develop and grow.

I am sure that all Senators join with me in a salute to small business during this Small Business Week 1973.

Mr. President, I ask unanimous consent to have printed in the RECORD President Nixon's proclamation setting May 13–19 as Small Business Week.

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

PROCLAMATION 4195—SMALL BUSINESS WEEK, 1973

(By the President of the United States of America)

A PROCLAMATION

In no facet of our national life is the American genius for independence, innovation and self-improvement better displayed than in the small business community.

The instinct to create, sustain and expand an independent enterprise is as old as America herself—an impulse that brought the earliest settlers to our shores and motivated generation after generation of our citizens in their onward, upward march. Nowhere is it more clearly evident today than among our Nation's 8 million small business.

In the past year alone, more than 70 thousand new companies were started. Nineteen out of every twenty firms are considered small business, and they provide approximately 35 million jobs, and contribute more than $420 billion to the gross national product.

They also provide a ladder of opportunity to hard working, ambitious Americans of all races and creeds—the chance to harness individual initiative and ability to the mighty potentials of the free enterprise system. As long as America remains true to her heritage, the small businessman will continue as a mainstay of our economy and our society.

Now, therefore, I, Richard Nixon, President of the United States of America, do hereby designate the week beginning May 13, 1973, as Small Business Week. I ask all Americans to share with me during this week a deep pride in the many accomplishments of our Nation's small businessmen and women, and in the invaluable contribution they have made to our free way of life.

In witness whereof, I have hereunto set my hand this 12th day of March, in the year of our Lord nineteen hundred seventy-three, and of the Independence of the United States of America the one hundred ninety-seventh.

RICHARD NIXON.

THE 1973 JUNIOR MISS

Mr. DOLE. Mr. President, Kansas has another winner—Linda Rutledge of Leavenworth, Kans., has been crowned America's 1973 Junior Miss. To support and substantiate the well-established myth that Kansas is the home of beautiful and talented women, I ask unanimous consent that a brief account which appeared in the Kansas City Star yesterday be printed in the RECORD.

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

LEAVENWORTH STUDENT CHOSEN JUNIOR MISS

MOBILE, ALA.—Linda Susan Rutledge, a blond, green-eyed senior at Leavenworth High School, Leavenworth, was named America's Junior Miss last night.

She was the daughter of Lt. Col. and Mrs. Gary Rutledge. Her father is Marine Corps liaison officer to the Command and General Staff College at Fort Leavenworth. Miss Rutledge was a winner earlier in the week in scholastic competition and played a classical piano solo for the talent part of the competition.

She was crowned by the retiring Junior Miss, Lydia Hedson of Lexington Ky., and was presented a $10,000 scholarship. An im-

formation officer at Fort Leavenworth last night said the new Junior Miss plans to attend Pennsylvania State University in the fall where she will major in computer sciences and math.

Miss Hawaii, Sue Murphy, of Kailua, was chosen first runnerup and received a $6,000 scholarship. Miss Illinois, Karen Leidkamp, was second runnerup and received a $4,000 scholarship.

DOCTOR SHORTAGE PRESENTS CRISIS

Mr. ROBERT C. BYRD. Mr. President, the current shortage of physicians in the United States is a matter of concern to all Americans, since nothing deserves a higher priority than the health of the people of this Nation.

At present, the Association of American Medical Colleges estimates that there are 346,000 doctors in the United States—or one physician for every 636 potential patients. That is 69,000 short of meeting the AAMC's goal of one doctor for every 500 potential patients. By way of comparison, it is interesting to note that there is one doctor for every 420 potential patients in the Soviet Union.

The problem in the United States appears to be getting worse each year. Whereas, in 1950, there were 75 doctors for every 100,000 persons, today there are fewer than 50 physicians per 100,000 citizens.

And, in rural America, the situation is even more alarming. The February 19, 1973, edition of U.S. News & World Report states that—

Counties with less than 10,000 population average fewer than one doctor per 1,000 potential patients.

Because of the doctor shortage, Mr. President, citizens of the United States have had to rely to a large extent on foreign-trained physicians. In 1963, one doctor in every nine doctors practicing in the United States was a graduate of a foreign medical college; today, it is one in every five. And, of the 54,600 interns and resident physicians in U.S. hospitals, 17,500—or one in three—are foreign-trained.

Many of these foreign-trained doctors, to be sure, are Americans who were forced to train abroad, because there was no room for them in U.S. medical schools. In fact, 1 out of every 15 graduates of foreign medical colleges now practicing in the United States is a native of this country.

The plight of these physicians points up the obvious need to expand and increase our facilities for training doctors. In 1972, American medical colleges were able to accept only 13,570 of the more than 37,000 students who applied for admission. And, as Marvin Edwards, editor of Private Practice journal, notes:

American medical schools have been forced to turn away "B" students, and even "A" students at times.

I am hopeful that the administration and the Congress will recognize the urgent need to expand and increase the number of medical schools in the United States, and that funds will be provided through my amendment to support Public Law 92-541, which authorizes the construction of up to eight new medical colleges.

I ask unanimous consent that a resolution passed by the American College of Physicians at its recent convention be printed in the RECORD.

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

RESOLUTION

The nation's medical schools face a severe financial crisis as a direct consequence of some budgetary actions taken by the Administration in its fiscal 1974 budget. These include:

1. Elimination of training grants, fellowships and career development awards;
2. Reduction in research grants in all areas except cancer and heart disease;
3. Reduction and eventual elimination of general research support grants;
4. Funding of capitation grants at levels far below those recommended by responsible advisory bodies;
5. Elimination of all construction funds for health-sciences facilities;
6. Elimination of Regional Medical Programs.

These actions threaten the immediate fiscal solvency of virtually all medical and health science schools because they will abrogate support of faculty that is essential to the schools' teaching programs. Moreover, these actions come at a time when medical schools have increased the size of their classes in response to the increased need for health manpower. In the long-term, these cuts will be detrimental to the generation of new biomedical knowledge that is essential to patient care, and to the development of the faculty that will need to do the teaching of medical students, interns, residents, and practicing physicians in the next twenty years.

Doctors are one of the nation's most valuable resources, and these doctors are only as good as the medical schools that train them.

The American College of Physicians, a body that counts 22,000 internists in its membership, strongly urges the President to reorder his priorities so that some of these cuts that threaten the very existence of our medical schools can be reversed.

CUTBACK IN RESEARCH FUNDS FOR MULTIPLE SCLEROSIS

Mr. CANNON. Mr. President, research funds for multiple sclerosis, a severely crippling disease, have been cut back under the President's 1973 budget. Multiple sclerosis is a degenerative disease, working slowly but steadily to destroy the nerve tissues, ultimately causing crippling, and a drastically shortened life span. What is more cruel, Mr. President, is that on October 30 of last year, President Nixon signed a bill authorizing the establishment of a National Commission on Multiple Sclerosis. How cruel it is to give with one hand and take away with another. The Reno Evening Gazette March 26, 1973, printed the story of the administration's deception in pulling the rug out from under multiple sclerosis research. I ask unanimous consent to print the article in the RECORD.

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

RENO ATTORNEY RAPS NIXON FOR SCLEROSIS FUND CUT

Reno City Atty. Robert Van Wagoner today claimed the Nixon administration is "severely crippling research on a severely crippling disease."

Van Wagoner, a Democrat, recently named chairman of the Nevada Multiple Sclerosis Society, criticized the President for cutting the budgets of several government agencies directly involved in seeking the answer to the progressively-paralyzing disease.

"On Oct. 30 of last year, Nixon signed a bill authorizing the establishment of a National Commission on Multiple Sclerosis.

"We certainly applauded that, but immediately after the election, Mr. Nixon began to pull the rug out from under M.S. research," Van Wagoner said.

"The President through his Bureau of the Budget, has held up the $3 million secured for M.S. research last year by Nevada Sen. Alan Bible (Democrat).

"He also cut the budget for the National Institutes of Health, the federal government's mainstay of biomedical research, by $42 million. In addition, he cut the budget for the National Institute of Neurological Diseases and Stroke to 5 per cent below last year, and to 10 per cent under 1972 for 1974," Van Wagoner said.

"The list seems endless—Nixon also pocket-vetoed the Rehabilitation Act of 1972 (HR 8395) despite its unanimous passage by both houses of Congress. It is a hard thing to say that this man is unconcerned, but the facts speak for themselves," Van Wagoner said.

"There is nothing more tragic than to have to tell an M.S. patient, who faces years of agony as he slowly crumbles into his wheelchair—or worse—that the cure for his disease is farther away because Mr. Nixon has cut money for research.

"Every year, M.S. strikes more people and destroys more families. The only hope is research, because Multiple Sclerosis is a disease of time—the nerve tissue in the back of the neck is attacked until you can no longer move a muscle in your body. This process takes many years.

"It is inconceivable to me how Mr. Nixon could, in effect, tell so many thousands of people that they will have to wait a little longer because he doesn't want to give permission to spend money already appropriated by Congress. He certainly forgot a lot of people after election day," Van Wagoner said.

"I urge everyone to write the White House and our congressional delegation about this breach of faith with the people."

BUSINESS WEEK VOTES "NO CONFIDENCE" IN NIXON ADMINISTRATION'S ECONOMIC POLICIES

Mr. HUMPHREY. Mr. President, the recent edition of Business Week carried an editorial that is nothing short of a vote of no confidence from the business community in the Nixon administration's economic policies.

Business Week puts it bluntly:

The Administration has lost its grip on the economy. The President's advisers are clutching the scraps of favorable news and ignoring the evidence that their economic policies are not working.

Business Week is coming to realize what almost all the housewives and working families of this country know—that inflation is increasing, that large businesses are using phase III "controls" to jump prices and increase profits, and that the working people of this country are being forced to pay for policies and programs that are not working.

Business Week suggests an alternative—"new tough wage and price controls, and strict fiscal and monetary discipline."

Business Week calls for the scrapping of phase III. It is a failure. It is time for Nixon administration policy advisers to admit it is a failure, and then get on with the job of taking the necessary steps to control inflation.

Says Business Week:

Above all, the Administration must act now. There is always a lag between the time a policy is adopted and the time it takes effect. If the Administration waits, it will find itself in the fatal position of having its toughest restraints start to bite at the worst possible moment—after the economy has gone over the top and started down the slope into recession.

Mr. President, this is tough talk from one of the Nation's leading business magazines. Its view ought to be considered by the Nixon administration.

Mr. President, I ask unanimous consent that the editorial from the May 12, 1973, edition of Business Week be printed in the RECORD.

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

AN URGENT PLEA FOR NEW ECONOMIC POLICY—NOW

President Nixon ended his Watergate speech two weeks ago with a reference to the great national and international issues that demand his attention. Among them, none is more urgent than the mounting threat of a violent boom-bust explosion in the U.S. economy.

Absorbed with Watergate and stubbornly hoping that the situation will right itself, the Administration has lost its grip on the economy. The President's advisers are clutching at scraps of favorable news and ignoring the evidence that their economic policies are not working.

This is worse than wishful thinking. It is willful denial of obvious facts. And it is driving the U.S. into a superheated boom that inevitably will end with a paralyzing recession.

Here are the factors:

The U.S. economy is expanding at a pace that cannot be sustained. It is capable of long-term growth at a rate of about 4% a year. For the past two quarters, it has expanded at a rate of 8%, and instead of slowing down, it is, if anything, picking up speed.

Every sector of the economy has picked up the beat. Retail sales, powered by a swift increase of installment debt, increased at a smashing annual rate of 24% in the first quarter of 1973. Automobiles are selling at the rate of over 12-million a year. Homebuilding, which had been expected to turn down this year, is still plunging ahead. Manufacturers' orders are rising twice as fast as they were in 1972, and because shipments cannot keep up, backlogs are building rapidly. Business is programming capital spending at a rate that cannot be achieved.

Inflation has exploded again. It is a 6% rate in the first quarter, and it is going strong in the second. April wholesale prices were climbing at a 12% annual rate, with the industrial sector gaining at a rate of 15.6%. The showing would have been far worse if farm prices had not taken a temporary breather after increasing at a 60% annual rate in March. Phase III is manifestly a failure, and minor changes—such as last week's order requiring large companies to give advance notice of price increases—will not save it.

In short, the U.S. is launched on another round of boom and bust. It was fed too much monetary and fiscal stimulation in 1971 and 1972. Phase II controls were lifted too soon. Inflationary expectations were fanned by too much talk about voluntarism and self-policing controls in Phase III.

CONTROLS WITH TEETH

The problem that faces President Nixon now is to bring the boom under control before it turns into an inflationary explosion. This does not mean penitently acknowledging past mistakes, as the President's advisers seem to believe. It means taking a realistic measure of the situation and devising measures to restrain the breakneck pace of the economic expansion.

There is an alternative to standing pat and letting the economy rush ahead into disaster. It consists of a combination of new, tough wage-price controls and strict fiscal and monetary discipline. It is a painful answer, and it involves some risk. But it is the course the Administration should take.

The first step should be to scrap Phase III and go back to wage-price controls at least as tough as Phase II and considerably broader in scope. Price controls should apply to all farm and food products—not just at retail but far enough back down the line of distribution and production to put effective pressure on prices at the point of first sale. The rules on passing through cost increases should be tightened. The merry game of taking a markup for profit on cost increases should stop.

With the new controls must go a strict program of enforcement. The big trouble with Phase III has not been its rules but the way the rules have been ignored. Enforcement must apply to small companies as well as large. The U.S. economy is too big and too diverse to be managed by passing the word to a few giant corporations and depending on them to police the markets. The worst mistake of Phase III was to let a large number of medium-sized companies think that controls no longer applied to them.

NOW IS THE TIME

Wage-price controls, however, are essentially a short-term device. They can curb inflationary expectations—which is important—and they can keep the inflation process from feeding on itself. But they cannot bring the economic system into balance. That is a job for fiscal and monetary policy.

The $20-billion deficit the federal government is running in the fiscal year ending next June obviously is more stimulation than the economy should be getting as it comes up toward the peak of an expansion. To plan on top of that for a deficit in fiscal 1974 is planning for a calamity. At this point, the budget should be balanced. If the President and Congress cannot agree on spending cuts, they should be ready to close the budget gap with an emergency surtax.

Meanwhile, the Federal Reserve must move in aggressively to tighten money. It should back up its traditional policy of managing money supply by applying selective controls on credit. Where this takes new legislation, the Fed should ask for it promptly. Consumer credit is expanding too fast; too much money is going into real estate speculation; too many bank loans are financing mergers and acquisitions. The flow of credit must be channeled to the points where it will do the most good and cause the least inflation.

Above all, the Administration must act now. There is always a lag between the time a policy is adopted and the time it takes effect. If the Administration waits, it will find itself in the fatal position of having its toughest restraints start to bite at the worst possible moment—after the economy has gone over the top and started down the slope into recession.

AMERICANS TO CHEAT BECAUSE COMMUNISTS CHEAT

Mr. CHURCH. Mr. President, one of the most crippling consequences of the cold war-hot war continuum between the United States and the Communist world since 1945 is the way that America has tended to imitate its global rival in foreign-military affairs. The latest example of this perversion is now taking place in Indochina where the Los Angeles Times accurately editorializes:

The Government of the United States is applying the principle of a cheat for a cheat.

Not only does this violate the Judaic-Christian standard of ethics upon which this Nation is presumably based, such actions also threaten "a broader American military involvement." I agree wholeheartedly with the Los Angeles Times, all of "this is wrong."

The continuing involvement of U.S. military forces in hostilities in and over Indochina not only further fuels the fires of civil war there, but "It is wrong, also, because it is illegal." The editorial goes on:

What is being done now and what is proposed are not sanctioned by American law or the Constitution.

Concludes the Los Angeles Times:

For the Americans to cheat because the Communists cheat solves nothing. It only worsens a tragedy that must, once and for all, be left to the Indochinese.

I ask unanimous consent that the editorial entitled "The Threat of More Bombing" from the Los Angeles Times of May 3 be printed in the RECORD.

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

THE THREAT OF MORE BOMBING

The government of the United States is applying the principle of a cheat for a cheat in Southeast Asia, risking and, in fact, threatening a broader American military involvement. This is wrong.

Americans are bombing Cambodia at the rate of 39,000 tons a month, despite a signed agreement that this would not be done. Americans have suspended sweeping the mines they sowed in the waters of North Vietnam, despite a signed agreement that the mines would be swept. Americans have from time to time, renewed the bombing of Laos, despite a signed agreement that this would not be done.

These deliberate and open violations of the cease-fire agreement are justified by those who commit them on the ground that the Communists also are cheating. And so they are. The infiltration of men and arms continues. North Vietnamese troops in Laos and Cambodia have not been withdrawn, and fighting continues in conspicuous violation of the signed agreements.

So President Nixon claimed full authority to strike back, to bomb, to burn, to send in waves of B–52 superbombers and fighter-bombers. In the name of peace. Peace with honor. So we are told.

And now the threat has been broadened. William H. Sullivan, a deputy assistant secretary of state, has concluded talks with the North Vietnamese with a warning that either they fully implement the cease-fire or the United States will return "to the unfortunate military situation to which we hoped to put an end by signing the agreement." In other words, the American bombers will be back over Vietnam, not just Cambodia and Laos.

Now, perhaps the bellicosity is nothing more than words designed to strengthen the hand of Henry A. Kissinger if and when he meets Le Duc Tho later this month in Paris. It is an important meeting. There is much that the Americans must say, must protest, to the leaders of North Vietnam. But if more

than words are involved, if a renewal and extension of warfare are intended, this is wrong.

It is wrong, above all, because it can only make worse the tragedy of Indochina.

It is wrong, also, because it is illegal. What is being done now and what is proposed are not sanctioned by American law or the Constitution. And this is worth careful examination.

The State Department has given us a lengthy memorandum asserting the legality of the bombing of Cambodia. That authority, the memorandum argues, flows from Article 20 of the cease-fire agreement and from Article II of the U.S. Constitution.

Article 20 provides for the withdrawal of foreign troops from Laos and Cambodia and full respect for their neutrality and independence. It bars military activity, the kind the Communists are doing and the kind the Americans are doing. But, like all of the cease-fire documents, it makes no provision for action or intervention by any signatory in the event of cheating.

Article II of the Constitution apparently is cited because it includes provision for the President to be commander in chief of the armed forces and empowers him to make treaties. The State Department then argues, with a straight face, that this constitutional authority gives the President the power to make war to police what he has done. At no point does the memorandum acknowledge that the cease-fire agreement is not a treaty and has not the power of law of a treaty. There has been no move to seek congressional ratification.

The attempt of the State Department to legitimize the continued American war role in Southeast Asia would be ludicrous if it were not so tragic. It is more than specious, it is dangerous, for it dignifies a doubtful seizure of power by the Presidency and seeks to perpetuate that power even after the last troops, and thereby the last American interest, have been removed.

To stop the American bombing "would undermine the central achievement of the January agreement," the memorandum asserts. Surely we don't need to remind Secretary of State William P. Rogers that the central achievement of the agreement was to get the Americans out of Indochina.

The primary victims of the suspension of minesweeping are the North Vietnamese civilians. The primary victims of the bombing of Cambodia are the people of Cambodia, civilian and military alike. And if the bombing of Vietnam is resumed, it will be the people of Vietnam who are the victims. This is not the business of Americans. For the Americans to cheat because the Communists cheat solves nothing. It only worsens a tragedy that must, once and for all, be left to the Indochinese.

ABE LASTFOGEL CELEBRATES 75TH BIRTHDAY

Mr. TUNNEY. Mr. President, this Saturday, May 26, we will be celebrating the 75th birthday of an outstanding fellow citizen, Mr. Abe Lastfogel. Mr. Lastfogel has distinguished himself through his fine work as president and chairman of the board of the William Morris Agency, and through his efforts for numerous civic organizations.

Mr. President, Mr. Lastfogel's accomplishments are plentiful. In the educational field, he serves as an associate of both the California Institute of Technology and the University of South California. Additionally, he has served on the board of directors of the United Negro College Fund. In the area of health care, he is a member of the board of directors of St. Jude's Research Hospital and the Cedars-Sinai Medical Center. Mr. Lastfogel also is vitally interested in all our youth. He has done extensive work with Big Brothers of America, was president of USO camp shows, and was named national chairman of the entertainment committee for youth opportunity by our colleague, Mr. HUMPHREY, in 1968.

All this, of course, is over and above Mr. Lastfogel's professional capacity with the William Morris Agency. Mr. Lastfogel has brought marvelous entertainment to citizens from all walks of life. He has helped make our leisure time, so strongly dominated by our love of show business and all that surrounds it, that much more enjoyable.

Mr. President, on behalf of the entire Senate, I join with Mr. Lastfogel's friends and family in wishing him continued health and happiness on the occasion of his 75th birthday.

NEW MEXICO SENATE MEMORIAL

Mr. DOMENICI. Mr. President, the Senate of the State of New Mexico has approved a Senate memorial requesting equal benetfis for Reserve components of the Armed Forces. I ask unanimous consent that this new Mexico Senate memorial be printed in the RECORD at this point for consideration of the Members of this body.

There being no objection, the New Mexico Senate memorial was ordered to be printed in the RECORD, as follows:

SENATE MEMORIAL 13

A MEMORIAL REQUESTING EQUAL BENEFITS FOR RESERVE COMPONENTS OF THE ARMED FORCES

Whereas, the reserve components of the Armed Forces of the United States perform vital national functions; and

Whereas, one of their major functions is to provide the Armed Forces with units trained, equipped, and capable of immediate expansion to war strength, fit for service anywhere in the world; and

Whereas, another function is to defend critical areas of the United States against land, seaborne, or airborne invasion; and

Whereas, they must also be ready to participate by units in all types of operations, including offensive operations, either in the United States or overseas; and

Whereas, the service of the reservist closely parallels that of the regular military enlistee, and is just as important a role; and

Whereas, although they do perform similar functions the reservist is not awarded the same benefits as that of the regular enlistee; and

Whereas, if the reservists were granted the same privileges and benefits as his brother serviceman in the regular military service, then it would be much easier to recruit men into the reserve components, allowing them to fulfill their historic mission "in the first line of defense in the first weeks of an emergency";

Now, therefore, be it resolved by the Senate of the State of New Mexico that the Governor, the Secretary of Defense of the United States, and the members of New Mexico's Delegation to the United States Congress be requested to work toward the passage of needed legislation which would grant reservists the same privileges and benefits as other enlistees in the military service; and

Be it further resolved that certified copies of this resolution be transmitted to the Governor, the Secretary of Defense of the United States, and the members of New Mexico's Delegation to the United States Congress.

Signed and sealed at The Capitol, in the City of Santa Fe.

FOOD CRISIS IN BANGLADESH

Mr. KENNEDY. Mr. President, in January of this year, the United Nations Secretary-General Kurt Waldheim reported on the food situation in Bangladesh. He said that, despite the successful efforts of the U.N. Relief Operation in Dacca—UNROD—to avert a threat of famine last year, the food situation this year was "more serious and more threatening" than it was in the immediate aftermath of civil war and independence. And he urgently appealed, on behalf of the Government of Bangladesh, for international help and assistance to avert famine again.

On February 6, I called this situation to the attention of Senators—and suggested that, because of our country's vast resources, and because we have traditionally filled most of the "food gap" in East Bengal when it was still part of Pakistan, that we inevitably had a special role to play in responding to the urgent food needs of Bangladesh today.

This was especially true—and continues to be true—in light of the basically good relations we have established with Bangladesh, and the enlightened foreign assistance agreement we concluded with the Government of Sheikh Mujibur Rahman in 1972.

Early this year we committed some 200,000 tons of food to Bangladesh, with the proviso that more would be available in the spring and summer. More is, in fact, available, but our negotiators for this food are striking a cruel bargain, Mr. President. Despite the deteriorating situation in Bangladesh, and the new threat of starvation for millions, our Government apparently sees no emergency and is halting all grant aid of American food and offering what we have for sale. Our negotiators are even suggesting that U.S. dollars to Bangladesh under the foreign assistance program be used to purchase the food offer we made earlier.

All of this, Mr. President, may fit neatly into the administration's new policy of food for cash—but it is contrary to the urgent needs in Bangladesh, and some other areas of the world—let alone violating the high purposes of the food for peace program and the traditional humanitarian concern of the American people.

Hopefully the administration will have the good sense to reconsider its policy toward food needs in Bangladesh—and toward those in need in such places as India and West Africa. Hopefully, also, the administration will help to mobilize the concern of other food producing nations in helping meet current food emergencies throughout the world. For rich nations with food surpluses to stand idle in the midst of hunger and the threat of mass starvation, should outrage the conscience of all mankind.

Mr. President, the Washington Post yesterday carried an excellent editorial on the food crisis in Bangladesh. I ask

unanimous consent that the editorial be printed in the RECORD.

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

GRAIN CRISIS IN BANGLADESH

In Bangladesh the situation is almost beyond belief. This desperately poor and hungry country of 80 million people caught the world's sympathy, or fancy, when it became a nation late in 1971. On this basis, it was offered free some 2.5 million tons of good grains in 1972—nearly half from India, most of the rest from the United States. But political styles change. In 1972 the Soviet Union decided to buy some 18 million tons of food and feed grains in this country. Bangladesh did not disappear as a cause overnight; food commitments made earlier remained in effect. But the Soviet deal, lauded for its contribution to peace and the American balance of payments and the President's re-election, took center stage.

The results, for Bangladesh, have been awesome. Grant aid of American food is halting, to be replaced by sales. The reason is, one official puts it, grant aid was given on an emergency basis and "by definition an emergency is something short-lived." By American definition, one should add. So Bangladesh, whose foreign exchange reserves hover barely at the $200 million mark, has been forced to go out and *buy* some $120 million worth of food—at prices kited by the Soviet wheat deal, needless to say. Even with cash, grains are not available, or not available in the amounts and on the delivery schedules necessary. Bangladesh needs monthly imports of about 300,000 tons to keep even. But now that so many grain ships have been diverted from Dacca to Odessa, deliveries have fallen to 50,000 tons—this at the year's most critical between-harvests time. And, of course, the shippers have raised their prices. One should note that the consumption norm on which these calculations are based is a mere 15 ounces of food grains per person per day, a level certain to guarantee a degree of national malnutrition—malnutrition is itself a horrible wasting disease. About six times as much grain per person goes into the American diet, it might be noted.

What should be done? Immediately, the American and Soviet governments should take all necessary steps to let the available shipping be used to carry the available food to desperate Bangladesh. The seeming Soviet-American conspiracy of selfishness in this matter should be dissolved for the sake of millions of people poised on the brink of wasting and death. The time is so short that this should be done before the scheduled Brezhnev-Nixon summit; they could both make political capital out of it. Regardless of whether the summit is derailed or delayed by Watergate, the two powers should address themselves to the problem: the problem not only of Bangladesh but of all the hungry nations of the world.

Secondly, it is vital at this moment of grave crisis in Bangladesh that the United States, with or without the cooperation of other major food producers, spare Bangladesh the need to divert its grotesquely small reserves of foreign exchange to the purchase of either food or shipping to carry the food. The intended American decision to end grant aid and to sell grain—at easy terms but under a program requiring Bangladesh to pay expensive shipping costs—is simply wrong. This is a form of hard-headedness entirely out of phase with Bangladesh's plight. The United States should keep up international pressure to deal with it, even though the Bengali cause no longer has the "glamor" or excitement that sustained it abroad a year or so ago.

Finally, this particular crisis should spur those in and out of government who understand that food production must be planned much more on an international basis with an eye to filling all international needs. Short-term single-country agricultural planning is an anachronism and a luxury of the rich and, as the condition of Bangladesh demonstrates, a moral outrage. A President looking for worthy new horizons to conquer in international affairs can start right here.

NEW MEXICO JOINT MEMORIAL

Mr. DOMENICI. Mr. President, the legislature of my home State of New Mexico has recently approved a joint memorial pertaining to the tabulation of population in the Federal decennial census necessary to facilitate the apportionment of State legislative bodies. I ask unanimous consent that this joint memorial be printed in the RECORD for consideration by my colleagues.

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

SENATE JOINT MEMORIAL 7

(Introduced by Senator Gladys Hansen)

A joint memorial pertaining to a plan for the tabulation of population in the Federal Decennial Census necessary to facilitate the apportionment of State legislative bodies

Whereas, the census enumeration districts established in New Mexico for the tabulation of population in the federal decennial census are poorly designed, difficult to identify, sometimes noncontiguous and generally ill-suited for purposes of apportioning or electing legislative bodies; and

Whereas, Representative James A. McClure, Idaho, introduced on June 29, 1972, in the 92nd Congress, Second Session, H.R. 15773 to amend Title 13, United States Code, by providing for the transmittal to each of the several states, in accordance with a plan and form approved by the Governor thereof, of a tabulation of total population of that state obtained in each decennial census and required for the apportionment of the legislative bodies of that state;

Now, therefore, be it resolved by the legislature of the State of New Mexico that the New Mexico Congressional Delegation be urged to support or, if necessary, sponsor legislation similar to H.R. 15773 of the 92nd Congress in the 93rd Congress so that the apportionment of state legislative bodies may be facilitated in compliance with the 14th Amendment to the Constitution of the United States; and

Be it further resolved that copies of this memorial be transmitted to each member of the New Mexico Delegation in Congress and to the Governor of this state.

THE CHILDREN OF INDOCHINA

Mr. KENNEDY. Mr. President, one of the most tragic lessons of the Indochina war are the millions of disadvantaged children—the orphans, the maimed, the homeless—who have fallen as victims of continuing violence.

As the Congress and the American people begin to assess our Nation's role in a postwar Indochina, we must remember the faces of the children of Indochina, especially South Vietnam, and remember that we are still involved in their plight.

To document the massive needs of the children, to assess what our Nation can do to help, the Judiciary Subcommittee on Refugees, which I serve as chairman, held a hearing last Friday on child welfare and orphan problems in Indochina. The subcommittee received the report of its recent Study Mission to Indochina on the crisis facing the children of the region, particularly in South Vietnam. The Study Mission made several very important and immediate recommendations on what our Government can do to help the children and orphans, and I believe they should be given serious consideration by the Congress and the executive branch.

Mr. President, I ask unanimous consent that the Study Mission's report and recommendations, as well as my opening statement at the hearing, be printed in the RECORD.

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

SENATOR KENNEDY'S OPENING STATEMENT BEFORE JUDICIARY SUBCOMMITTEE ON REFUGEES' HEARING ON THE CHILDREN OF INDOCHINA

Today's hearing resumes the Subcommittee's inquiry into the people problems of Indochina.

Nearly a month ago—on April 16—the Subcommittee considered the deteriorating situation in Cambodia, where the number of war victims dramatically escalates each day the bombing and conflict continues. This morning we shall focus on the most pitiful of war victims—the children of Indochina, especially those in South Vietnam.

Nothing so graphically reminds us of the human debris in Southeast Asia—and of our national responsibility to help heal the wounds of war—than the cries for help from homeless orphans, young refugees and maimed children—who are scattered by the hundreds of thousands over the face of Indochina—in North and South Vietnam, and Laos and Cambodia.

For many years their cries for help fell on deaf ears. The problems of child welfare and the needs of orphans went unattended—because governments were too preoccupied with making machines and war.

As early as 1965, witnesses before this Subcommtitee told of a growing need for child welfare programs, trained personnel, and long range planning for children in South Vietnam. And in 1967, at the urging of this Subcommittee, a special AID social welfare task force was dispatched to South Vietnam to make program recommendations for children and other disadvantaged by the war. And we will hear this morning from the Chairman of that Task Force. But, as with so many other reports on humanitarian needs in Indochina, the Task Force recommendations were filed away and all but ignored—as conditions among the children and others in need continued to deteriorate. It was only the active humanitarian concern of many private Americans—and the leadership of voluntary agencies in this country and South Vietnam—that in recent months has finally turned our government around—and at least moved it from lip service to tokenism in its concern for young war victims in South Vietnam.

As members of the Subcommittee's recent Study Mission to Indochina. We are faced with a regional crisis of children. We are faced with an urgent need to redouble our efforts to help them—through international channels and voluntary agencies in the field.

In 1965, as we began our massive involvement in the war children were born in Indochina. Some of these children survived and today are at least 7 or 8 years old. But because of the war some are orphans. Some are half-orphans. Some are abandoned in the streets by parents unable to care for them. Some are stunted in mind and body from malnutrition and disease—and from the squalid conditions of the refugee camp or shanty town where they may have lived for

many years. Some are burned or maimed. And some are without limbs. But they all represent the crisis of children in Indochina—millions of children in need. And we must not walk away from our national responsibility to help them.

STATEMENT OF DR. JAMES DUMPSON AND MR. WELLS KLEIN ON CHILD WELFARE PROBLEMS IN SOUTH VIETNAM BEFORE HEARINGS HELD BY THE JUDICIARY SUBCOMMITTEE ON REFUGEES, MAY 11, 1973

Mr. Chairman, my name is James R. Dumpson. I am Dean of the Graduate School of Social Services of Fordham University, immediate past President of the National Conference on Social Welfare, and for seven years I was Commissioner of Public Welfare for the City of New York With me is my colleague, Wells C. Klein, Executive Director of the American Council for Nationalities Service, who for five years was General Director of the American Branch International Social Service, after serving as Director of the Refugee and Social Welfare Division of the AID Vietnam Bureau.

Mr. Klein and I recently visited Vietnam in our private capacities as members of the Study Mission this Subcommittee dispatched to investigate postwar humanitarian needs in Indochina. Both Mr. Klein and I have worked in or visited Vietnam on numerous occasions in the past and have observed, at first hand, the steadily deteriorating conditions of children in Vietnam over the last eight years. We come before the Subcommittee this morning, as individuals, and as Americans, deeply disturbed over the welfare of children in Vietnam and deeply disturbed by the lack of sensitivity and responsible initiative our government has shown to even the most minimal needs of these children.

Since 1965 witnesses have come before this Subcommittee to testify as to the growing needs of children in South Vietnam. I, myself, testified nearly six years ago after heading a Social Welfare Task Force to South Vietnam on behalf of the Agency of International Development. But despite this Subcommittee's concern—and the concern of others in the Congress and countless Americans—little was done to meet their needs, even as the numbers of orphans and homeless children increased.

Mr. Chairman, when we speak of the children of Vietnam we are speaking of half the total population—that half, fourteen years and younger who, by reason of their age cannot, even under normal conditions, care for themselves and secure the physical and emotion requisites for survival and growth. But as you well know, in Vietnam we are not speaking of normal conditions. These eight million children have never known a day when the smells, the sights and the sounds of war were not all about them.

The gravity of the situation of children in Vietnam should surprise no one who can put two and two together and reach four. What surpasses surprise, however, is the insensitivity of our government, with some few exceptions which we shall detail later—the insensitivity to the situation that exists in Vietnam and to public concern here at home. We would submit, Mr. Chairman, that these children do not represent a political problem to be dealt with in terms of partisan politics, nor do they represent a problem in the allocation of resources. They are simply a large number of children for whom we share a responsibility—who desperately need our help—help which is not now forthcoming. At the end of this testimony, we shall submit some specific recommendations which we hope this Subcommittee, the Congress, and the Administration will consider as immediate steps which can be taken to alleviate some of the pain and heartbreak, and damage, and begin to turn the situation around so that the children of Vietnam may have a future.

We have spoken of eight million children, but who are these children—what has happened to them—what are their needs? Wherever one observed children, one observed children deprived of their birthright to grow and develop in security with the sustained support of one or more meaningful adults in their lives. There are some 700,000 orphans or half-orphans in Vietnam. They have been torn by years of war from their families or have seen their families decimated about them. Their circumstances vary, but in most every case they lack the minimum physical and/or emotional requisites for healthy growth and development. We have heard much of the need to establish "stability" in Vietnam. By this is meant economic stability with the various supply and demand factors in some order of balance. The need for such economic stability is not disputed. But what about social stability? What is stability for 700,000 orphans? It is more than solving a balance of payments problem, it is an environment in which they can grow and mature with adequate food, clothing, shelter, physical and emotional security, and human contact.

Over 750,000 persons are crowded into approximately 128 refugee camps in South Vietnam. Half of these are children. In camp after camp, one observes children suffering from malnutrition, children with scrawny bodies, eye sores, eye cataracts, missing limbs, scarred face or limb tissue, some naked or half naked. One observes children who are hungry because of bureaucratic red tape or sheer malfeasance. And if this were not enough, the refugees and their children face a particularly bleak future in this would be post war era—an era often referred to as that of "ceaseless fire". They are pawns in the game of who controls the most population. For most of these children there is no prospect of returning home. They are subject to the relentless pressure of de facto physical confinement in squalid, unbelievably crowded conditions. Children need to play—to move—they need stimulation, and new experiences. They need physical and emotional security. The refugee children have none of this and as time passes inevitably the lethargy syndrome becomes more and more deeply entrenched and their prospects for health development become less and less possible.

Some 23,000 children are known to be in orphanages. With rare exceptions, the care of these children is deplorable. The serious, dangerous overcrowding particularly in group care for infants, is nothing short of shocking. In one institution designed for less than 100 children we found nine dedicated nuns, four of whom are practical nurses, caring for 120 infants below one year of age, 95 children between one and two, and 75 or more children over five years of age.

In other institution equipped to accommodate not more than 150 children by the most minimal standards, we observed 400 children cared for by nine nuns, 5 to 7 "men on the grounds" assisting the nuns, and a small component of female custodians. Among these children, as in other institutions, were numerous severely retarded or handicapped children who need and should have intensive care and protection on a one/two or one/three basis.

Mr. Chairman, there is another particular group of children in Vietnam deserving of our concern, the same 25,000 children of mixed parentage whose fathers abandoned them or never knew of their existence, but children who bear the indelible imprint of their heritage. These children can be seen in the streets of Saigon and Danang, in the refugee camps and resettlement sites. Some 1,000 of these children are in orphanages living under the conditions described above. Half of the American fathered children in orphanages obviously had Black American fathers. The remainder of the American fathered children, black and white, at this time, are living with their mothers and families in the general population.

For a variety of reasons, the needs of children of mixed parentage, particularly those already abondoned to orphanages and those whose fathers were unquestionably black, command a high priority in our concerns for the well-being of Vietnamese children. While the great majority of the American-fathered children have not been abandoned by their mothers—we saw much love and warmth for many of these children—as they grow into school-age and adolescence, in all probability, their physical difference will give rise to problems among their peers—for the black child, because he is black, and for the black and white because their mothers "did business with the Americans" as it was expressed by one of the children's grandmothers in a refugee camp.

Of very real concern is the black child. There is no question but that the black Vietnamese child will face serious problems of social rejection based on his physical difference. The experience and present social position of children fathered by French Senegalese troops during the 1945–54 period presents supporting evidence to this contention. Furthermore, there is no black community in Vietnam. These children will grow up and live a relative social isolation as have their French-Senegalese predecessors.

Meeting the needs of these children presents a number of issues that must be recognized and ultimately resolved by the government of Vietnam, hopefully with real and substantial assistance from the government of the United States. First, recognition must be made of the fact, frequently stated by Vietnamese officials, that these are Vietnamese children and the government affirms its ultimate responsibility for all Vietnamese children. This position, in our judgment, must be supported by the government of the United States and all of the voluntary agencies concerned with child welfare in Vietnam. Any program, however, well motivated, that does not accept this fact, does violence to the welfare of all the children in Vietnam.

Second, serious questions must be raised concerning the capability of the Government of Vietnam, at this time, to meet the special needs of these children. A statement of public policy is one thing; translation of that policy into meaningful reality for those for whom it is designed is quite another matter. In the foreseeable present, the needs of children of mixed parentage, particularly those whose fathers are black, and who already have been abandoned to orphanages, cannot be met. Alternative acceptable care to continued orphanage existence must be found.

Third, while high priority attention must be given to this relatively small number of disadvantaged children, it must be done within the context of the pressing needs of other disadvantaged children in Vietnam who are not racially mixed, who may or may not live in orphanages or refugee camps, and who may not be abandoned. This issue underscores the war-induced plight of the general majority of Vietnamese children. They are all war victims as are their mothers and most other adults in Vietnam. We cannot single out for special attention the unique needs of the American-fathered child and ignore that large number of other children who have a right to our concern and assistance. To do this would be unethical, and in our opinion un-American in the true sense of the term.

Mr. Chairman, before proceeding to recommendations, it may be useful to detail exactly what our government has, or has not done, in regard to needs of children in Vietnam. Until 18 months ago there was essentially no U.S. government program directed towards these children. While some assistance was available through PL–480 food distribution and through the refugee pro-

gram, this was indirect assistance not primarily designed to meet child welfare needs. Also, at one time, the U.S. government gave substantial support to U.S. and international voluntary agencies working in Vietnam, some of which was directed toward children. By the spring of 1971, however, it was no longer government policy to support the voluntary agencies. This was the process of "de-escalation", and with some sort of incomprehensible logic, our government chose to de-escalate voluntary agency support and the already minimal assistance going to children as one of its first steps.

In a way, the timing of this "de-escalation" was fortuitous, for it came at the very moment when a large segment of the American public was becoming increasingly concerned for the welfare of children in Vietnam. The down-grading of voluntary agency support and humanitarian assistance to children dramatically highlighted the lack of U.S. government concern. Thus, in the summer and fall of 1971 several events occurred simultaneously which resulted in a dramatic reversal of the government policy vis-a-vis children in Vietnam. A number of separate pieces of legislation were introduced into the Congress which, in one form or another, called on the government to respond to the needs of Vietnamese children. At the same time, a group of voluntary agencies made strong representations to the government requesting priority and funding for services for these children. Finally, and perhaps most important, the media and a significant and vocal segment of the general public began to focus attention on child welfare concerns, in effect demanding action from our government.

As a result, since the fall of 1971, or some 18 months ago, it has been government policy that the United States has an obligation to help the children of Vietnam. This has meant the beginning—just the beginning—of funding and priority to implement child welfare programs. In the past 18 months the Agency for International Development has done a commendable job of initiating responsible child welfare programs and engaging the Vietnamese Ministry of Social Welfare in developmental child welfare planning.

This brings us to the present. It is important to note that we have commended the AID response in the past 18 months, but not that of the government as a whole. Quite frankly, in our opinion, AID has gone about as far as it can without support from the U.S. Embassy in Saigon and from the White House and State Department in Washington. For the present, at least, some U.S. government funds for child welfare purposes seem to be available. However, these funds cannot be utilized effectively unless the Embassy in Saigon gives the matter of children reasonable recognition in its own priorities and reasonable support to AID and to the Vietnamese Ministry of Social Welfare.

At the time of our visit, the Embassy and AID were at loggerheads, with the real danger that the Embassy might pull the rug from under much of the responsible programming AID has initiated. There is nothing useful to be gained by discussing the details of this matter, except to say that in the immediate sense, and in the long run, most of what we can do for children in Vietnam can only be accomplished through Vietnamese institutions. It is, therefore, imperative to strengthen the Vietnamese government and voluntary agencies at the same time we are addressing ourselves directly to the immediate needs of children. This must be our policy if our assistance to the children in Vietnam is to be in their interest rather than simply a short range response to political pressures on our part.

Proceeding, now, to the future, we would suggest that any child welfare programs in the immediate future must include the following ingredients:

1. Programs and measures designed to prevent the abandonment of children. Among other considerations, this involves counseling services available to mothers to help them identify what is in their best interests and the best interests of their children. Mothers and their families should be helped to identify realistic alternatives to abandonment.

2. Improved institutional care for those children who require such care.

3. Improved maternal and child care including expanded day care facilities.

4. Programs designed to reunite families with high priority assigned to children in orphanages, and to programs designed to maintain children with their families.

5. Facilitation of adoption on a case by case basis for those children for those children for whom this is the best alternative.

These are immediate child welfare goals for children in Vietnam. To achieve these goals, the United States on its part must undertake the following:

1. Ensure reasonable priority by all elements of the U.S. Government for child welfare and translate that priority into realistic meaningful programs with assurance of adequate long-term funding.

2. Raise the issue of the welfare of children with the Vietnamese government at the highest level so that child welfare programming will receive equivalent priority on the Vietnamese side. At this point, the Vietnamese Ministry of Social Welfare is at the bottom of the government's administrative structure and receives scant support in terms of funds and personnel. It is essential that the Ministry be able to hire and train competent personnel to implement reasonable and responsible programs within a Vietnamese context.

3. Support and encourage American and international voluntary agencies to expand their programs of service to Vietnamese children in cooperation with the Ministry of Social Welfare, and under the general supervision of that Ministry.

4. Seek out multi-level mechanisms within the United Nations family and/or the international voluntary agency structure through which to channel continuing child welfare assistance in Vietnam. While the United States must continue to provide major budget support for such endeavors, our government can best discharge its responsibility by working through multi-lateral mechanisms where direct U.S. involvement is minimal.

Further, Mr. Chairman, in very specific terms, we propose the following immediate steps. These can and should be implemented within the next two or three months. To the best of our knowledge, no new policy formulations or funds are required. It is simply a matter of acting with a concerted rather than a divided effort, and with a sense of priority.

1. Invite the establishment of, and fund, a consortium of experienced professional competent voluntary agencies to facilitate and expedite inter-country adoption of Vietnamese children for whom adoption is legally possible and clearly the best plan. Particular priority should be given to the racially mixed child. The primary bottle-neck with regard to inter-country adoption at present is the lack of adequate services and staff in Vietnam. We view this recommendation as an urgent requirement, though we recognize that adoption must still be handled on a case by case basis to protect all parties concerned. The expensive services for the few at the expense of the many is unconscienable. Therefore, the consortium must equally concern itself with providing counseling services to mothers who may be considering abandoning their children, and with the immediate up-grading and improvement of child care services and institutions in Vietnam.

2. Expedite the inter-country adoption process by assigning one additional officer to the INS regional office in Hong Kong so that U.S. government formalities will not represent a bottleneck as they have, on occasion in the past. INS is planning to transfer 1,000 inspectors to the U.S. Customs Bureau in the near future. We ask that one of these be diverted to Hong Kong.

4. The U.S. government, through its Embassy in Saigon, should urge the Government of Vietnam to expedite passage, or interim implementation by decree, of sound adoptional legislation which, we understand, is presently in draft form.

5. The government of the United States should formally transmit to the Government of Vietnam a clear statement of intent of support for programs designed to assure the welfare of children in Vietnam. This recommendation will have the duel effect of indicating American commitment particularly in terms of funds on a more than a year to year basis, and of stimulating the Government of Vietnam to give its own child welfare programs and Ministry of Social Welfare reasonable support and priority. One of the persistent problems is that U.S. funding is only available on a year to year basis. The Vietnamese, understandably, are reluctant to commit themselves to long range programs with only a few months of funding in sight.

6. The U.S. government should strongly urge the Vietnamese government to lift its present restriction on hiring new personnel within the Ministry of Social Welfare. At present, the Ministry does not have adequate personnel, in terms of numbers of professional competence, to supply many of the child welfare services needed.

7. AID should be authorized to proceed with direct hire from outside its own personnel resources in order to replace departing child welfare personnel in Vietnam and expand the AID child welfare advisory and support program by several additional positions.

8. The Subcommittee on Refugees should review the various pieces of legislation addressed to the needs of children of Vietnam which have been introduced over the past two years to determine whether modification of previously proposed legislation, or new legislation, is warranted to ensure that we can and will continue to exercise our responsibilities to the children of Vietnam.

9. The appropriate Subcommittee of the Judiciary Committee should be asked to explore some modification of our present Immigration and Nationality Act in order to enable American fathered children in Vietnam to obtain American citizenship, if they so wish, upon reaching their majority.

10. Until such time as multi-lateral mechanisms can be determined and utilized, the Agency for International Development should continue to work with the government of Vietnam, particularly the Ministry of Social Welfare, in an advisory and supporting role, to assist that government in carrying out its responsibility to the children of Vietnam, responsibilities which we share. After many years of inaction, AID had initiated a well-thought out program of child welfare assistance in Vietnam. The AID continuing effort

should be encouraged and supported by this Subcommittee and by the Administration.

Mr. Chairman, we have presented a review of the needs of the children in Vietnam and we have made some specific recommendations for meeting those needs. We do not suggest that our review has been comprehensive or that our recommendations are by any means all inclusive. However, we have sufficient confidence in our own experience and judgments to suggest that careful consideration of the views and recommendations presented this morning will significantly enhance our government's ability to meet our national obligation to the children of Vietnam.

FINANCIAL STATEMENT OF SENATOR BEALL

Mr. BEALL. Mr. President, in keeping with my usual practice, I am submitting for the RECORD a copy of my financial statement for the year 1972.

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

Financial statement of Senator J. Glenn Beall, Jr., December 31, 1972

ASSETS

Cash in bank:	
Checking accounts	$8,447.46
Savings accounts	11,397.22
Total	19,844.68
Stocks and bonds (see list attached, appendix A)	148,738.79
Life insurance—cash surrender value	17,799.00
Beall, Garner, and Geare Retirement Trust (vested interest)	31,756.29
Equity in Beall, Garner, and Geare Realty Co. (copartnership)	10,470.12
Dwellings:	
Beall's Lane, Frostburg, Md.	50,000.00
Western Avenue, Chevy Chase, Md	80,000.00
	130,000.00
Personal property (furniture, etc. at both locations	20,000.00
1972 Chrysler New Yorker 4-door sedan	4,100.00
Total	382,708.88

LIABILITIES

Note payable, First National Bank & Trust Co. of Western Maryland	5,000.00
Mortgages:	
The Fidelity Bank, Frostburg, Md. (Frostburg dwelling)	17,213.41
Citizens Building & Loan, Silver Spring, Md. (Chevy Chase dwelling)	54,677.92
Total	76,891.33
Net worth	305,817.55

Appendix A—Stocks and bonds

39 Beall, Garner & Geare, Inc. (common)	$79,957.02
100 Beall, Garner & Geare, Inc. (preferred)	26,000.00
34 Allegheny Power	733.00
100 Canadian Export Gas & Oil	400.00
83 Cumberland Fair	1,660.00
50 Fidelity Bank of Frostburg	1,000.00
211 First National Bank & Trust of Western Maryland	13,715.00
50 General Telephone & Electronics	$1,506.25
5 Irving Trust	168.75
17 Kaiser Aluminum & Chemical	300.75
8 Kaiser Aluminum & Chemical (4¾ cum. conv. 1959)	496.00
60 Minnesota Mining & Manufacturing	5,157.50
3< Northern Illinois Gas	839.25
30 Standard Oil of New Jersey	2,625.00
268 United States Fidelity & Guaranty Co	11,758.50
165.874 Massachusetts Investors Growth Stock Fund	2,421.77
Total	148,738.79

PROFITS AT RECORD HIGH

Mr. HUMPHREY. Mr. President, the giant corporations of this country are making gigantic profits at the expense of the average working American. Profits have never been higher—averaging increases of 23 percent ahead of the first quarter rate of 1972.

The Survey of Corporate Performance, first quarter, 1973, of Business Week, published May 12, 1973, headlines: "Profits Zoom in the first Round."

Some profit gains have been as much as 227 percent ahead of last year's performance—which was in itself a record breaking year. Profit margins also are charging ahead—and are now the highest in 3 years.

According to present projections, total corporate profits would be an after tax rate of some $61 billion. The profits for steel, paper, building materials, publishing and special machinery were, according to Business Week, "first quarter standouts."

Mr. President, all of us want American business to be healthy. The American system is founded on a strong free enterprise. But we are in a period of inflation, of wage and price stabilization; and it is simply not fair to the average working families of this Nation to have profit zooming—indicating higher and higher prices—while wages are held down.

Mr. President, I ask unanimous consent that the Survey of Corporate Performance as published in Business Week, be printed at this point in the RECORD:

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

PROFITS ZOOM IN THE FIRST ROUND

Corporate profits continued their record-breaking ascent in the first quarter of 1973. Pegged at an annual aftertax rate of at least $61-billion, this year's first-round figure is fully 23% ahead of the first-quarter rate in 1972, and 6.6% greater than the record $57.2-billion rate of 1972's final quarter.

Profit margins, too, showed an impressive gain. Aftertax profits per dollar of sales rose to 6% for the first quarter, the highest in more than three years.

Although corporate profit rates continue to set new highs, aftertax profits as a percentage of gross national product still remain below the pace of a decade ago. In 1966, for example, corporate profits were 6.7% of that year's GNP. But at the current first-quarter rate, they amount to only 4.9% of 1973's estimated GNP of $1.2-trillion.

THE LEADERS

The first-quarter survey, covering 873 companies in 36 separate industries, is specially prepared for Business Week by Denver-based Investors Management Sciences, Inc., a subsidiary of Standard & Poor's Corp. To be included in the current survey, industrial corporations must have garnered at least $26-million in sales for the quarter and have reported them in detail by Apr. 27. Companies reporting for a quarter ending Jan. 31 are included only if their sales were greater than $100-million. In addition to the sales requirement, banks also must have $1-billion in deposits to be included, while utilities must post revenues of $50-million or more for the quarter.

Responding to a record auto sales year, a surge in total demand, and firmer prices, the steel industry led the first-quarter profit boom with earnings for the group up by 84%. The paper industry now has made it to the ranks of BW's top five quarterly performers three times running—this time with first-quarter profits up by 70%. This comes on the heels of profit gains of 59% and 66% for the third and fourth quarters of 1972.

Shortages, sharply higher prices, and a continuation of the construction boom helped boost profits for the building materials industry by 65%. And the developing boom in agriculture began to make itself felt in some industries. Profits for the special machinery group, which manufactures most of the nation's farm equipment, rose by 45%.

It also was a good quarter for publishing, packed by a profit gain of 227% at McGraw-Hill. Higher costs and a recession-related dip in advertising revenues had kept the profit growth for the industry in the 2%-to-7% range for most quarters in 1971 and 1972.

But the most impressive thing about the quarter's profit picture was its breadth and uniformity. Missing were the spectacular—but temporary—profit leaps of 200% to 300% or more. At the same time, however, and for the second quarter in a row, there was only one industry that brought in a groupwide profit decline—the airlines, which as a group reported a net loss of $38.7-million. But the pattern in industry after industry was a profits gain of 20% to 30%.

THE "LOSERS"

Even most of this quarter's "losers" turned in profit performances that in other years might be rated good to excellent. The first quarter usually is the most troublesome for virtually all of the transportation group. This year, an extremely bitter winter in some sections of the nation held railroad and trucking profit growth to 9% and 12% respectively.

Squeezed by relatively low interest rates and the Wall Street doldrums, nonbank financial companies managed to neither make nor lose more money on the average than they did a year ago. Reflecting the same interest-rate pressure, bank profits were up by a respectable 13%, but that figure was considerably below average for most companies this quarter.

As in most quarters, there were individual company standouts, many of which shot up from a low base a year ago. Curtiss-Wright profits rose by 855%, while International Harvester gained 353%, and American Motors 345%. Fairchild Camera led the electrical group with a profit swing of 477%, while Hammermill Paper paced its industry with a 360% increase.

SURVEY OF CORPORATE PERFORMANCE: 1ST QUARTER 1973

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/s yearend (millions)	12-months earnings per share
AEROSPACE													
Airframes, general aircraft and parts													
Beech Aircraft [3]	$49.7	18	$2.4	61	4.9	3.6	12.8	18.4	8	5	7	$116	$1.92
Boeing	630.8	−15	10.7	19	1.7	1.2	6.4	4.0	11	15	−9	542	1.57
Cessna Aircraft [3]	995.2	73	6.1	133	6.4	4.7	13.6	18.5	9	10	7	250	2.56
Curtiss-Wright	57.7	8	1.4	855	2.4	0.3	3.9	3.4	38	−2	−6	279	0.65
Fairchild Industries	55.9	5	−2.9	NM	NM	1.5	4.3	4.5	13	9	8	44	0.55
Kaman	30.5	17	.7	23	2.1	2.0	7.2	9.1	7	17	2	14	2.40
Lockheed Aircraft	615.6	25	3.5	3	0.6	0.7	3.7	5.0	6	3	−13	104	1.16
McDonnell Douglas	816.3	39	34.4	58	4.2	3.7	11.6	15.5	9	29	16	1,047	3.91
Northrop	**132.2	17	1.8	−25	1.3	2.1	6.0	7.1	8	9	6	91	2.49
Rockwell International [3]	801.3	18	34.3	34	4.3	3.8	10.0	15.8	8	9	−4	713	3.39
Thiokol Chemical	70.2	7	3.0	36	4.3	3.4	12.0	12.0	7	7	2	122	1.79
United Aircraft	538.7	7	14.5	16	2.7	2.5	7.9	10.0	8	9	8	539	4.35
VSI [4]	28.8	18	2.2	45	7.7	6.3	16.0	16.9	10	14	10	64	2.12
Industry Composite	3,922.9	14	112.0	34	2.9	2.4	7.8	10.3	11	11	−1	3,924	2.66
AIRLINES													
Allegheny Airlines	71.6	59	−3.4	NM	NM	NM	6.3	6.6	29	26	−3	93	0.39
American Airlines	321.8	3	−28.8	NM	NM	NM	1.0	−2.3	NM	16	−14	716	−0.47
Braniff Airways	97.8	11	4.0	14	4.1	4.0	8.7	17.1	13	11	17	314	0.87
Continental Air Lines	85.5	4	−.9	NM	NM	0.4	3.9	6.4	18	18	2	222	0.64
Delta Air Lines [4]	267.3	15	12.6	54	4.7	3.5	9.8	17.7	20	21	16	1,245	2.92
Eastern Air Lines	318.9	6	−1.9	NM	NM	4.2	3.2	2.4	30	20	NA	431	0.42
Flying Tiger	61.6	8	5.8	28	9.4	8.0	7.5	24.5	10	26	21	416	2.68
Frontier Air Lines	28.9	22	.9	NM	3.1	NM	16.5	NM	6	−1	6	35	1.11
National Airlines [4]	105.2	11	5.9	−14	5.6	7.3	7.5	13.6	8	17	9	282	2.33
Northwest Airlines	120.0	1	8.0	72	6.7	3.9	3.4	4.3	26	26	4	775	0.98
Pan American World Airways	296.7	10	−19.1	NM	NM	NM	NM	−4.2	NM	11	17	362	−0.42
PSA	28.4	9	−.4	NM	NM	4.2	3.7	5.2	14	37	3	78	1.08
Trans World Airlines	324.7	15	−14.8	NM	NM	NM	6.2	16.4	9	13	−21	518	3.66
UAL	442.2	10	−9.5	NM	NM	NM	3.1	3.7	24	14	4	691	0.93
Western Air Lines	94.9	8	2.8	43	3.0	2.2	6.6	12.9	12	9	−9	184	0.87
Industry Composite	2,665.5	10	−38.7	NM	NM	NM	4.3	6.1	17	16	−2	6,362	0.93
APPLIANCES													
Hoover	127.1	17	8.1	28	6.4	5.8	13.5	17.9	10	10	9	488	2.37
Magic Chef [4]	55.9	11	1.1	−54	2.0	4.9	13.1	14.7	9	29	12	159	1.18
Maytag	53.8	9	6.6	5	12.3	12.8	30.4	30.4	15	5	5	549	2.12
Singer	576.8	10	20.9	12	3.6	3.6	11.3	14.6	10	4	2	1,151	4.99
Tappan	66.2	33	1.9	29	2.9	3.0	9.8	12.2	7	10	8	69	2.19
Whirlpool	372.9	22	18.2	38	4.9	4.3	18.7	22.6	13	13	9	1,301	2.04
Industry Composite	5,252.7	15	57.0	17	4.5	4.5	14.0	18.1	11	4	6	3,717	2.59
AUTOMOTIVE													
Autos, trucks, equipment and parts													
Allen Group	45.1	31	.9	−20	1.9	3.6	6.6	8.4	11	44	6	49	1.17
American Motors [3]	476.3	42	16.5	345	3.5	1.1	11.3	13.2	7	−3	−16	219	1.24
Arvin Industries	52.6	14	1.7	14	3.2	3.2	9.1	12.0	13	8	1	152	1.38
Bearings [4]	33.5	25	1.8	45	5.3	4.6	17.3	17.3	17	15	11	100	3.10
Bendix [3]	**550.0	24	16.5	29	3.0	6.9	9.2	13.4	10	5	3	602	3.98
Borg-Warner	365.9	18	16.8	35	4.6	4.0	9.4	11.0	8	5	3	684	3.25
Budd	190.2	15	6.7	35	3.5	3.0	7.7	10.2	6	3	4	98	2.44
Champion Spark Plug	101.4	12	10.9	10	10.7	10.9	57.5	20.1	13	11	10	560	3.26
Chrysler	2,887.3	30	89.3	151	3.1	1.6	9.2	11.3	6	12	−2	2,147	5.28
Cummins Engine	154.6	47	5.0	NM	3.2	NM	6.9	8.6	16	11	1	400	2.25
Dana [4]	240.5	18	14.1	29	5.9	5.4	13.3	16.4	9	10	5	537	3.75
Eaton	370.6	26	23.1	27	6.3	6.2	11.7	15.2	8	12	7	731	4.06
Federal-Mogul	79.3	18	3.2	2	4.0	4.7	10.1	12.7	10	3	−3	160	2.56
Ford Motor	6,122.7	26	360.7	43	5.9	5.2	14.5	16.3	6	5	4	8,081	9.66
Fruehauf	157.5	21	8.0	39	5.1	4.4	9.5	12.2	9	8	0	289	3.31
General Motors	9,570.0	23	816.9	26	8.5	8.4	18.8	20.2	9	6	−1	23,195	8.10
Gould [4]	160.6	31	6.4	30	4.0	4.0	10.5	12.7	9	19	6	272	2.64
Houdaille Industries	70.6	27	3.1	145	4.5	2.3	12.3	16.8	8	15	5	126	1.70
International Harvester [3]	855.7	38	12.7	353	1.5	0.5	8.3	8.2	8	2	−2	1,048	3.53
Kelsey-Hayes [4]	131.8	19	2.4	58	1.8	1.4	6.7	8.7	7	4	3	84	3.37
Libbey-Owens-Ford	175.6	16	17.8	27	10.1	9.3	NA	23.1	8	−2	−2	455	4.57
Maremont	68.1	13	2.4	102	3.5	2.0	15.4	23.0	11	5	−1	215	2.98
McCord [4]	39.5	53	1.4	50	3.6	3.7	10.5	12.1	8	9	7	47	2.40
Monroe Auto Equipment [4]	**37.8	16	5.3	18	14.0	13.8	23.5	24.3	12	21	24	422	1.69
Novo	27.9	63	.4	222	1.4	0.7	6.7	16.6	7	0	0	8	0.99
Purolator	62.3	15	3.2	15	5.2	5.2	15.2	19.3	19	14	11	277	2.59
Questor	83.1	10	2.2	10	2.6	2.6	9.2	10.7	10	17	7	220	1.48
Raybestos-Manhattan	45.2	24	1.8	82	4.0	2.7	8.0	9.6	6	2	−7	41	4.22
Royal Industries	43.2	23	1.7	22	3.9	3.9	11.7	15.3	7	31	21	58	1.17
Sealed Power	28.4	18	1.7	8	6.1	6.7	12.9	14.3	10	10	6	89	2.29
Sheller-Globe [3]	71.4	19	2.0	15	2.8	2.9	8.8	20.3	7	6	12	67	1.79
Smith (A.O.)	156.4	25	4.5	8	2.9	3.3	5.7	6.5	9	6	11	168	2.09
Texstar [3]	41.7	26	1.0	28	2.3	2.3	10.0	14.6	5	15	18	21	0.80
Timken	140.5	26	13.7	41	9.7	8.7	12.4	12.6	8	7	1	443	4.35
TRW	497.8	30	21.2	38	4.3	4.0	10.6	20.9	11	9	10	866	2.43
Wagner Electric	66.7	17	2.4	28	3.7	3.4	10.5	13.6	7	NA	NA	96	1.76
White Motor	273.6	19	3.1	64	1.1	.8	4.2	3.7	13	4	−15	119	0.90
Industry Composite	24,465.4	25	1,502.9	37	6.1	5.6	14.2	16.7	9	6	0	43,676	5.89

Footnotes at end of table.

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
BANKS AND BANK HOLDING COMPANIES													
Bancal Tri-State	$43.3	22	$2.0	130	4.6	2.4	7.0	8.8	10	4	1	$72	$2.43
Bank of New York	56.0	15	6.2	2	11.1	12.5	10.7	13.3	8	NA	NA	241	4.24
BankAmerica	458.1	18	47.4	13	10.3	10.8	12.1	13.6	16	6	9	3310	2.82
Bankers Trust New York	201.3	28	15.6	20	7.8	8.3	9.9	12.5	9	4	5	687	5.98
CIT Financial	147.0	7	20.2	6	13.8	14.0	7.6	13.5	10	6	5	978	4.20
Cameron Financial	34.5	22	3.2	7	9.2	10.5	9.8	15.2	13	12	10	230	2.24
CBT	26.1	24	2.3	−12	9.0	12.6	10.4	11.0	8	7	7	102	5.07
Centran Bancshares	28.9	18	2.9	6	10.0	11.0	9.6	11.7	9	8	8	107	3.04
Charter New York	109.4	45	7.3	27	6.7	7.6	8.1	9.7	9	6	2	255	3.48
Chase Manhattan	460.8	34	40.1	10	8.7	10.6	9.4	12.2	9	5	8	1788	4.76
Chemical New York	214.0	33	14.9	−15	7.0	10.9	7.9	9.1	10	4	5	715	4.46
Citizens & Southern National	52.0	27	6.3	17	12.2	13.2	13.1	14.8	24	13	13	561	1.06
Cleveland Trust	42.9	15	7.7	27	18.0	16.3	9.9	9.9	9	7	10	279	9.48
Continental Illinois	193.9	46	21.9	3	11.3	16.1	12.3	12.6	10	6	8	940	4.57
Crocker National	118.3	20	7.3	−8	6.2	8.1	8.5	11.3	8	4	5	327	3.22
Detroit Bank & Trust	33.6	0	5.2	23	15.5	12.6	11.4	11.4	8	6	9	153	6.29
Fidelity	39.8	25	4.4	14	11.1	12.1	11.7	15.7	9	6	10	192	4.15
First Bank System	91.9	20	13.2	6	14.4	16.2	13.7	14.4	17	7	12	882	3.42
First Chicago	189.6	47	19.7	11	10.4	13.8	10.7	12.5	13	6	9	1178	4.09
First Empire State	29.6	46	1.8	2	6.1	8.7	10.3	11.5	8	5	6	65	2.71
First National Boston	115.2	53	11.2	21	9.8	12.4	9.6	11.0	10	5	8	549	3.67
First National City	601.0	31	58.2	25	9.7	10.1	12.6	14.4	19	5	9	4439	1.86
First National Holding	30.8	42	2.9	33	9.4	10.1	11.1	12.8	11	5	6	149	2.82
First Pennsylvania	100.2	31	10.1	20	10.1	11.0	14.0	17.4	12	8	13	639	3.15
First Wisconsin Bankshares	49.0	32	4.4	19	9.0	10.1	9.1	11.7	9	7	10	170	4.08
Franklin New York	62.6	29	3.8	4	6.0	7.5	7.4	8.2	12	7	3	158	2.24
Girard	46.9	30	3.3	1	7.1	9.2	9.6	11.6	8	5	7	142	6.25
Harris Bankcorp	48.7	42	4.9	23	10.1	11.7	9.6	10.5	9	8	9	182	6.07
Industrial National	30.3	48	3.9	24	12.9	15.4	12.4	16.3	10	8	12	191	3.05
Lincoln First Banks	40.2	21	3.9	1	9.6	11.5	8.8	10.7	7	9	8	102	3.93
Manufacturers Hanover	233.8	50	23.0	29	9.8	11.4	10.6	11.7	11	5	8	1007	2.97
Mfrs National Bank of Detroit	36.7	17	3.8	15	10.4	10.6	10.1	12.6	7	6	8	112	7.09
Marine Bancorp Seattle	33.1	14	2.5	7	7.5	7.9	8.8	8.8	8	10	10	89	2.58
Marine Midland Banks	166.3	35	9.7	−11	5.8	8.9	9.8	11.4	8	6	7	393	3.34
Melion National	103.7	39	12.6	16	12.1	14.5	9.2	9.2	10	3	7	490	4.75
Morgan (J.P.)	247.8	39	35.5	19	14.3	16.7	12.1	14.4	14	4	10	1,920	3.43
Natl City Bank of Cleveland	28.9	30	5.6	5	19.4	24.0	14.2	14.2	9	7	10	242	6.26
National Detroit	84.4	21	9.5	7	11.3	12.8	9.2	10.6	7	6	9	305	5.90
NCNB	56.5	48	6.4	24	11.4	13.6	11.6	16.7	24	11	13	567	1.47
Northwest Bancorp	94.9	24	11.7	22	12.4	12.6	12.1	13.6	15	6	10	710	3.84
Nortrust	40.7	28	4.9	19	12.1	13.1	11.0	11.5	10	8	11	179	3.68
Seattle-First National	56.1	28	6.0	6	10.7	13.0	13.0	13.0	11	6	9	296	5.20
Security Natl Bank Hempstead	31.9	26	2.8	−19	8.6	13.4	10.6	11.2	8	25	13	153	2.72
Security Pacific	177.3	24	14.8	9	8.4	9.5	11.0	11.0	9	6	8	666	2.88
Southeast Banking	33.7	35	4.2	24	12.3	13.4	10.9	15.3	19	15	11	295	1.87
U.S. Bancorp	38.2	20	4.6	20	12.1	12.1	12.3	13.7	11	5	9	219	2.15
UnionAmerica	79.1	23	6.9	19	8.7	9.0	12.2	15.1	11	10	7	398	2.63
United Virginia Bankshares	33.3	33	3.7	19	11.2	12.4	10.9	14.8	13	12	9	224	2.95
Wachovia	71.3	24	8.3	5	11.7	13.8	12.1	11.9	18	15	11	472	2.19
Wells Fargo	150.7	30	10.3	27	6.8	7.0	9.1	11.3	9	5	7	555	2.18
Western Bancorp	244.9	23	18.3	23	7.5	7.5	10.1	11.6	10	98	7	838	3.15
Industry Composite	5,739.3	30	561.6	13	9.8	11.2	10.4	12.5	11	5	8	29,912	3.14
BEVERAGES													
Brewers, distillers, soft drinks													
Anheuser-Busch	248.9	11	18.4	5	7.4	7.8	13.2	17.2	27	11	18	2,490	1.72
Coca-Cola Bottling of N.Y.	46.7	11	2.1	16	4.4	4.2	+15.2	+15.3	23	8	12	272	0.83
Falstaff Brewing	39.2	27	−1.1	NM	NM	0.3	NM	−14.6	NM	0	−20	23	−1.62
Glenmore Distilleries [5]	*41.1	9	0.0	−77	0.1	0.2	3.6	2.2	14	1	−4	12	0.65
Heileman (G.) Brewing	*39.3	53	1.2	16	3.2	4.2	12.6	19.3	9	17	25	49	1.55
Heublein [5]	*260.2	13	8.5	17	3.3	3.2	16.6	26.6	21	14	15	1,121	2.02
National Distillers & Chemical	*282.9	7	10.0	38	3.5	2.8	5.8	8.1	11	4	3	433	1.37
Pabst Brewing	*109.1	7	6.5	14	5.9	5.6	13.1	14.1	23	11	15	714	3.08
PepsiCo	321.6	18	13.6	13	4.2	4.4	12.3	17.5	27	20	10	2,053	3.11
Rheingold	*46.2	−6	−1.4	NM	NM	NM	3.5	2.5	40	14	6	57	0.34
Schlitz (Jos.) Brewing	*194.5	19	10.0	30	5.1	4.7	15.2	19.6	36	5	15	1,696	1.66
Seven-Up	27.8	9	2.8	11	10.1	10.0	23.4	27.8	25	22	26	346	1.12
Southdown	**43.6	5	2.5	12	5.6	5.3	8.5	33.2	5	5	11	62	2.60
Industry Composite	1,701.0	16	73.0	13	4.3	4.4	10.8	15.2	22	8	11	9,327	1.75
BUILDING MATERIALS													
Cement, wood, paint, heating and plumbing, roofing, etc.													
American Cement	32.5	5	−0.1	NM	NM	NM	4.8	5.8	9	0	−9	37	0.59
Ameron [1]	32.3	39	0.7	230	2.3	0.9	8.4	10.3	6	7	2	38	2.30
Bliss & Laughlin Industries	**40.1	29	2.1	65	5.2	4.1	8.4	14.4	7	13	9	56	2.59
Boise Cascade	326.4	21	16.3	215	5.0	1.9	5.7	7.2	6	38	8	347	1.64
Brown [1]	63.1	26	0.9	351	1.5	0.4	6.7	7.6	8	−2	−6	42	1.18
Carrier [2]	184.1	25	6.2	29	3.4	3.2	8.8	11.6	14	11	12	675	1.37
Certain-teed Products	99.7	17	4.4	24	4.4	4.2	13.5	18.1	9	7	12	229	2.17
Champion International	525.0	18	20.3	61	3.9	2.8	6.5	12.2	9	15	1	641	1.98
Copeland [3]	53.6	28	3.0	30	5.7	5.5	19.4	21.9	13	13	15	155	1.49
Crane	214.9	11	2.6	27	1.2	1.1	5.7	8.1	7	3	14	109	2.47
De Soto	62.4	17	1.5	123	2.3	1.2	10.0	9.8	9	16	−1	87	1.18
Evans Products	230.2	25	4.2	25	1.8	1.8	9.1	12.8	10	26	22	394	1.70
Fedders [4]	**81.8	−13	2.4	−59	2.9	6.2	1.5	−1.1	NM	19	20	383	−0.12
Flintkote	78.6	9	−0.2	NM	NM	NM	6.7	8.9	7	4	0	146	2.62
General Portland	47.6	19	1.1	−33	2.4	4.2	7.3	9.0	8	4	2	141	1.57
Georgia-Pacific	517.8	40	36.9	90	7.1	5.3	8.8	16.5	15	16	12	1,941	2.16

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 1ST QUARTER 1973—Continued

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
BUILDING MATERIALS—Continued													
Cement, wood, paint, heating and plumbing, roofing, etc.—Continued													
Gifford-Hill	$**36.5	14	$1.7	−17	4.6	6.3	10.8	12.8	9	NA	NA	$111	$2.07
Ideal Basic Industries	45.4	1	4.9	6	10.8	10.3	9.8	12.4	9	2	−4	234	1.57
Interpace	48.5	4	1.2	45	2.4	1.7	6.8	8.5	7	9	−1	53	2.35
Jim Walter [4]	233.0	30	8.6	24	3.7	3.9	13.4	27.3	8	20	17	416	2.82
Johns-Manville	189.4	12	9.5	5	5.0	5.4	9.2	10.6	9	5	5	574	2.69
Kaiser Cement & Gypsum	34.4	3	1.4	−21	4.1	5.3	6.9	10.8	8	1	−2	73	1.02
Lone Star Industries	124.6	46	1.1	37	0.9	1.0	8.7	11.3	8	4	2	261	2.18
Masco	43.0	36	4.8	37	11.2	11.0	16.8	20.4	33	32	18	642	1.41
National Gypsum	124.5	11	6.1	15	4.9	4.8	8.4	10.1	8	3	−1	273	1.94
NL Industries	287.7	21	7.9	7	2.7	3.1	6.2	9.0	9	3	−6	405	1.55
Norris Industries	89.3	27	3.5	−13	3.9	5.7	15.6	17.0	8	18	26	199	3.73
Owens-Corning Fiberglas	167.6	22	11.6	71	6.9	5.0	10.5	13.7	17	9	7	812	2.74
Potlatch	110.1	20	8.4	86	7.6	4.9	NA	10.1	8	7	8	188	2.78
Robertson (H.H.)	57.9	9	1.3	175	2.2	0.9	10.4	11.4	8	8	8	62	2.70
SCM [5]	246.7	9	3.5	147	1.4	0.6	5.8	6.9	7	27	3	150	1.76
Sherwin-Williams [6]	143.4	6	0.0	NM	NM	NM	7.4	9.5	10	4	0	274	3.82
Sierra Pacific Industries	26.7	37	3.0	119	11.3	7.1	†24.1	†28.9	4	NA	NA	35	2.15
Southwest Forest Industries	104.1	83	3.0	67	2.9	3.2	8.7	12.8	4	21	34	52	2.13
Tecumseh Products	135.7	20	6.7	17	4.9	5.1	16.6	16.6	12	13	9	324	4.46
Temple Industries	28.9	23	3.3	36	11.3	10.2	12.0	14.9	11	12	22	128	1.69
Trane	70.4	18	4.5	77	6.5	4.3	11.1	12.6	14	10	7	370	3.48
U.S. Gypsum	170.1	17	11.6	8	6.8	7.4	9.9	12.3	8	1	−2	429	2.83
Wallace-Murray	72.1	15	2.3	27	3.1	2.8	7.9	13.5	5	3	11	47	2.69
Weil-McLain	**35.4	17	1.1	54	3.2	2.4	11.1	13.8	6	25	36	58	1.81
Weyerhaeuser	535.6	57	86.3	168	16.1	9.4	13.1	19.9	17	6	12	3,533	3.24
Industry composite	5,751.1	23	299.7	65	5.2	3.9	8.9	12.7	10	8	5	15,131	2.18
CHEMICALS													
Air Products & Chemicals [3]	96.0	9	5.7	30	6.0	5.0	6.9	11.0	23	14	10	432	3.15
Airco	129.5	8	3.7	−37	2.9	4.9	4.3	5.9	10	4	−2	206	1.34
Akzona	166.4	21	8.5	57	5.1	3.9	7.1	9.3	13	12	6	375	2.11
Allied Chemical	389.0	11	20.8	57	5.3	3.8	7.2	8.8	13	3	−3	799	2.65
American Cyanamid	356.6	10	29.9	21	8.4	7.6	10.7	12.9	11	6	3	1,559	2.34
Big Three Industries	27.0	12	3.1	22	11.4	10.5	10.1	14.5	21	23	16	268	2.20
Cabot [3]	78.6	9	5.1	16	6.5	6.1	7.8	8.5	7	8	12	207	3.56
Celanese	381.9	15	14.7	20	3.8	3.7	5.4	9.2	9	9	1	561	3.57
Chemetron	83.0	4	2.6	17	3.2	2.8	4.7	5.3	8	8	−4	77	2.13
Commercial Solvents	27.8	11	0.9	144	3.1	1.4	3.9	4.6	18	0	−17	53	0.83
Dart Industries	230.0	9	13.2	31	5.8	4.8	8.5	14.3	14	14	12	961	2.47
Diamond Shamrock	156.8	7	10.2	68	6.5	4.1	7.6	13.4	10	11	−3	315	1.96
Dow Chemical	702.8	28	57.9	41	8.2	7.5	11.1	15.9	23	7	9	4,658	4.50
Dupont	1,248.0	19	138.0	39	11.1	9.5	12.9	14.8	18	3	−3	8,469	9.30
Ethyl	164.1	9	12.1	23	7.4	6.6	9.7	17.7	6	20	12	311	4.27
Ferro	54.7	18	3.8	48	6.9	5.5	15.1	18.9	11	7	11	183	3.42
Freeport Minerals	**37.5	−2	4.7	12	12.5	10.9	6.5	7.5	21	5	2	437	1.13
GAF	**192.5	11	5.7	11	3.0	3.0	7.1	10.7	7	7	3	281	1.79
Grace (W.R.)	611.8	16	11.0	21	1.8	1.7	6.8	8.7	11	10	−2	723	2.21
Hercules	253.4	18	19.4	29	7.7	7.0	13.0	15.2	19	9	6	1,462	3.72
Inmont	**96.9	11	2.9	39	3.0	2.4	6.4	8.0	8	8	−3	77	1.13
Intl Minerals & Chemicals [8]	158.2	30	7.5	11	4.8	5.6	8.0	12.9	11	4	−10	291	1.97
Kewanee Oil	**45.3	14	3.0	7	6.7	7.1	9.1	10.8	12	7	10	140	1.46
Koppers	146.2	14	3.8	186	2.6	1.0	8.1	10.9	8	6	8	198	4.42
Lubrizol	**51.1	9	7.1	17	12.5	11.6	19.4	19.8	27	15	17	907	1.35
Monsanto	695.1	13	73.8	55	10.6	7.7	9.0	11.6	12	5	0	1,638	4.27
Nalco Chemical	49.2	11	5.2	22	10.6	9.7	20.1	20.4	28	13	15	628	2.10
National Starch & Chemical	51.0	21	4.2	31	8.3	7.7	15.4	19.2	24	10	10	352	2.38
Olin	301.9	13	11.7	30	3.9	3.4	5.6	7.0	9	3	−5	447	1.66
Pennwalt	114.5	12	3.8	42	3.3	2.6	6.9	12.0	13	4	−3	214	1.74
Pepi	50.4	8	1.0	30	2.0	1.6	5.4	5.9	11	10	11	69	1.78
Purex [9]	98.6	4	4.7	20	4.8	4.1	10.7	14.7	9	16	6	198	1.51
Reichhold Chemicals	63.8	19	2.5	34	3.9	3.5	7.6	10.0	8	6	5	87	1.27
Rohm & Haas	178.9	25	15.5	60	8.7	6.8	11.1	12.9	24	8	2	1,134	4.08
Stauffer Chemical	172.2	18	16.4	75	9.5	6.4	9.6	13.3	12	5	3	452	4.07
Sun Chemical	53.0	68	0.9	199	1.6	0.9	8.2	10.5	9	10	18	48	2.21
Texasgulf	72.4	29	8.8	48	12.2	10.6	6.5	8.8	20	15	16	517	1.10
Union Carbide	915.3	20	66.3	32	7.2	6.6	9.0	11.7	11	6	0	3,037	3.68
Witco Chemical	85.1	27	3.6	42	4.3	3.8	9.5	14.0	8	9	6	128	2.50
Industry Composite	8,792.7	16	613.9	37	7.0	5.9	9.1	12.2	14	6	1	32,898	3.20
CONGLOMERATES													
Avco [1]	150.0	18	10.1	27	6.8	6.3	5.6	10.6	4	7	−3	178	2.60
Colt Industries	208.1	26	5.6	86	2.7	1.8	5.9	9.6	8	26	−2	137	2.20
Gulf & Western Industries [3]	453.5	18	21.9	35	4.8	4.2	7.3	14.5	6	48	26	561	3.81
Illinois Central Industries	266.7	23	15.0	13	5.6	6.1	NA	NA	6	NA	5	268	3.18
Indian Head [1]	126.1	20	2.9	22	2.3	2.3	8.8	14.5	7	24	9	138	3.07
Intl Telephone & Telegraph	2,230.0	14	105.6	11	4.7	4.9	10.9	22.3	8	14	12	5,759	3.89
IU International	**333.4	19	18.1	21	5.4	5.3	8.3	16.9	12	21	11	590	2.00
Kaiser Industries	43.7	−37	4.9	NM	11.1	NM	3.6	2.9	9	11	−1	162	0.53
Kidde (Walter)	232.6	23	9.1	20	3.9	4.0	7.9	12.6	6	40	17	283	3.19
Litton Industries [3]	663.0	10	11.1	NM	1.7	NM	3.1	1.9	26	24	9	421	0.35
LTV	985.1	25	8.8	NM	0.9	0.0	6.6	9.3	6	36	−4	79	1.55
Martin Marietta	248.2	11	6.7	14	2.7	2.6	7.7	11.1	7	6	3	440	2.31
Northwest Industries	169.1	13	11.3	16	6.7	6.5	8.8	NM	5	NA	NA	219	4.33
Signal	*409.6	17	16.2	89	4.0	2.5	6.4	8.3	8	13	0	419	2.24
Studebaker-Worthington	251.6	24	6.3	23	2.5	2.5	7.1	11.5	6	9	8	197	7.45
Teledyne [3]	334.5	19	14.4	−2	4.3	5.2	6.2	10.0	8	74	31	467	1.73
Tenneco	892.9	15	53.4	14	6.0	6.0	8.6	15.3	9	9	7	1,949	2.57
Textron	451.9	8	21.5	19	4.8	4.3	12.4	20.5	8	11	12	934	2.42
Whittaker [3]	157.1	27	2.7	0	1.7	2.2	5.6	7.3	9	47	40	147	0.63
Industry Composite	$8,607.0	16	$345.8	32	4.0	3.5	7.9	13.9	8	14	8	$13,349	2.54

Footnotes at end of table.

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4-30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
CONTAINERS													
American Can	483.3	7	11.5	91	2.4	1.3	6.1	8.5	10	4	1	561	3.26
Anchor Hocking	87.9	9	4.8	13	5.5	5.3	11.5	13.3	7	11	12	296	3.03
Brockway Glass	63.1	15	3.1	−6	4.9	6.0	9.9	12.0	6	17	16	130	2.93
Continental Can	565.5	12	16.4	31	2.9	2.5	8.5	11.5	10	6	8	883	2.91
Crown Cork & Seal	122.9	11	7.5	10	6.1	6.2	11.5	14.0	13	14	16	514	1.63
Diamond International	145.4	11	9.5	10	6.6	6.6	11.0	12.7	9	9	7	388	3.24
Dorsey	30.1	11	0.6	−43	2.0	4.0	7.4	9.6	6	23	15	34	1.25
Federal Paper Board	57.6	7	1.7	9	2.9	2.9	8.3	10.4	8	6	7	73	2.57
Fibreboard	60.5	24	2.5	76	4.1	2.9	6.3	9.7	7	0	4	54	2.15
Inland Container	60.8	11	2.7	97	4.5	2.5	8.4	8.9	11	4	1	129	3.46
National Can	120.1	15	2.1	23	1.7	1.6	8.8	13.3	6	11	15	105	1.85
Owens-Illinois	418.9	6	13.0	10	3.1	3.0	7.1	10.5	8	9	6	636	4.05
Stone Container	34.3	14	1.4	104	4.0	2.2	7.7	9.4	9	9	0	44	1.19
Van Dorn	26.7	27	1.0	38	3.6	3.3	12.3	15.1	9	31	18	43	1.16
Industry Composite	2,277.1	10	77.8	26	3.4	3.0	8.1	10.9	9	7	7	3,799	2.74
DRUGS													
Ethical, proprietary, medical and hospital supplies													
Abbott Laboratories	139.1	16	10.7	16	7.7	7.6	11.8	14.9	24	9	7	950	2.93
American Home Products	487.6	11	51.5	15	10.6	10.2	26.2	28.9	36	13	11	6,378	3.36
American Hospital Supply	180.6	17	8.7	17	4.8	4.8	10.4	10.7	39	23	16	1,685	1.67
Baxter Laboratories	78.0	15	6.3	20	8.1	7.8	8.3	12.5	59	31	22	1,617	0.24
Becton, Dickinson [3]	85.8	17	6.3	15	7.4	7.5	9.9	13.6	27	23	15	725	1.83
Bristol-Myers	327.6	17	19.7	35	6.0	5.2	16.1	21.8	23	19	13	2,162	2.00
ICN Pharmaceuticals [1]	40.3	5	1.2	22	3.0	2.6	5.7	5.8	19	113	57	145	0.53
Johnson & Johnson	372.2	15	35.2	15	9.5	9.4	17.5	17.9	53	15	21	7,363	2.23
Lilly (Eli)	276.1	18	47.3	28	17.1	15.7	22.5	23.0	40	13	17	5,459	2.00
Merck	261.6	15	39.1	14	15.0	15.1	25.0	26.4	43	13	15	6,614	2.06
Miles Laboratories	86.4	10	4.4	18	5.1	4.8	9.5	13.8	16	14	17	301	2.97
Morton-Norwich Products [6]	106.6	7	6.7	−13	6.3	7.8	8.8	11.3	10	25	9	385	1.88
Pfizer	280.8	12	28.0	20	10.0	9.4	14.5	16.3	25	10	9	2,959	1.57
Richardson-Merrell [6]	132.7	10	11.3	13	8.5	8.3	13.9	15.4	21	8	8	861	3.47
Robins (A.H.)	49.7	15	7.8	17	15.6	15.3	19.5	21.9	32	19	16	964	1.87
Rorer-Amchem	60.0	12	7.7	13	12.8	12.6	21.4	22.3	21	30	9	453	1.57
Schering-Plough	**155.1	22	27.5	54	17.7	14.0	26.3	28.3	44	17	17	3,602	3.25
Searle (G.D.)	73.2	17	11.2	22	15.2	14.7	21.3	35.3	35	8	9	1,384	3.16
Smith Kline & French	102.3	8	12.1	13	11.8	11.3	21.4	22.0	15	9	4	871	3.38
Squibb	193.7	16	14.6	14	7.6	7.7	13.0	15.7	31	21	4	2,347	3.22
Sterling Drug	189.6	10	19.1	10	10.0	10.0	18.7	19.6	28	12	10	2,146	1.71
Sybron	94.4	12	5.4	16	5.7	5.5	10.5	12.7	15	13	4	366	1.41
Tampax	27.4	16	7.1	15	25.9	26.2	39.4	39.0	46	16	17	1,314	2.51
Upjohn	149.7	25	17.7	53	11.8	9.7	14.8	16.8	41	7	5	1,888	3.21
Warner-Lambert	396.9	10	34.7	14	8.7	8.5	14.5	15.8	30	24	10	3,790	3.68
Industry Composite	4,347.4	14	441.2	20	10.1	9.7	16.8	19.4	31	14	12	56,730	2.25
ELECTRICAL, ELECTRONICS													
Heavy equipment, components, radio and TV sets, etc.													
Admiral	129.4	9	3.0	31	2.3	2.0	12.4	13.6	5	2	3	99	2.05
Ambac Industries	38.9	23	1.8	71	4.6	3.3	7.0	9.0	9	8	4	56	1.21
AMP	92.0	35	10.1	44	11.0	10.3	20.8	23.1	39	18	15	1,576	2.95
Avnet [6]	114.1	27	5.0	33	4.4	4.2	12.3	17.3	6	25	12	137	1.37
Bunker Ramo	64.0	5	2.7	8	4.2	4.1	8.2	9.7	8	15	−14	179	1.68
Burndy	27.3	15	1.5	23	5.4	5.1	9.4	10.8	14	15	11	99	1.77
Capitol Industries [6]	36.5	35	1.4	NM	3.9	NM	8.1	8.3	11	42	5	35	0.92
CTS	33.2	26	3.0	33	9.0	8.5	NA	20.1	8	15	10	129	3.18
Cutler-Hammer	78.6	17	3.2	35	4.0	3.5	9.1	11.4	9	6	1	156	3.27
Damon [4]	30.0	15	2.1	32	7.1	6.1	19.7	23.6	26	99	54	391	1.25
E-Systems	39.0	21	0.8	38	2.0	1.8	8.4	10.3	6	31	−9	22	1.62
Echlin Manufacturing [4]	28.5	29	1.8	25	6.4	6.6	17.4	27.5	25	15	16	230	1.16
Fairchild Camera & Instrument	75.1	47	4.4	477	5.8	1.5	10.4	15.2	21	8	1	258	2.25
General Electric	2,547.4	15	114.4	11	4.5	4.7	15.7	18.1	20	6	6	13,289	2.97
General Instrument [10]	90.1	21	2.3	55	2.5	2.0	5.1	6.3	16	19	3	167	1.21
Globe-Union [3]	52.1	34	0.5	−24	1.0	1.8	7.1	7.8	9	11	1	62	2.09
Hubbell (Harvey)	32.7	10	2.8	17	8.6	8.1	14.2	21.4	16	12	9	180	2.50
I-T-E Imperial	103.7	13	4.2	7	4.0	4.3	9.1	11.8	9	NA	NA	299	2.21
LCA	66.0	25	4.6	26	6.9	6.9	†14.3	†15.9	11	NA	NA	378	1.83
Lear Siegler [6]	156.4	11	4.6	43	2.9	2.3	5.9	19.0	9	−1	−6	111	0.77
Magnavox	155.7	−4	1.9	−70	1.3	4.0	8.1	7.8	16	18	7	492	0.91
Mallory (P.R.)	53.0	18	1.9	21	3.6	3.5	10.8	10.0	11	8	3	117	2.00
McGraw-Edison	**202.6	17	9.4	5	4.6	5.1	11.1	12.3	12	7	6	598	2.59
Motorola	**321.3	29	14.3	76	4.5	3.3	12.8	14.0	23	15	10	1,804	4.24
National Union Electric	36.4	15	2.3	33	6.2	5.4	†12.0	†16.4	6	18	−2	53	3.99
North American Phillips	160.3	13	5.9	36	3.7	3.0	9.5	12.6	8	16	2	301	3.25
RCA	1,013.6	10	41.7	15	4.1	3.9	10.4	19.4	13	8	6	2,895	2.12
Raytheon	358.1	3	10.7	5	2.9	2.8	11.5	13.1	10	14	13	523	2.65
Reliance Electric [2]	101.9	18	4.0	67	3.9	2.8	9.7	14.7	11	6	9	187	1.49
Sola Basic Industries [9]	33.8	22	1.8	27	5.4	5.2	8.9	10.6	9	11	8	67	1.57
Sperry Rand [5]	635.0	16	29.2	46	4.6	3.6	10.1	10.6	15	11	16	1,652	2.62
Square D	87.5	11	7.3	−7	8.4	10.0	20.8	21.7	15	8	6	847	1.51
Texas Instruments	289.0	34	18.9	75	6.5	5.0	13.3	15.5	34	17	13	2,017	5.04
Thomas Industries	29.8	17	1.6	13	5.3	5.5	13.1	15.3	9	11	11	76	1.37
VLN	30.1	9	1.3	43	4.5	3.4	8.3	11.6	8	8	−4	31	0.82
Westinghouse Electric	1,268.1	8	40.9	−4	3.2	3.6	8.9	10.6	14	7	11	3,788	2.21
Zenith Radio	221.3	22	16.0	58	7.2	5.6	21.3	21.7	13	9	6	1,038	2.86
Industry Composite	8,842.3	14	383.4	20	4.3	4.1	11.9	14.8	14	8	7	34,339	2.41

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 1ST QUARTER 1973—Continued

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
FOOD													
Baked goods, canned and packaged foods, dairy products, meat, condiments, etc.													
Amalgamated Sugar [3]	$28.2	−5	$1.4	−1	5.0	4.8	9.9	10.0	8	6	2	$57	$2.94
American Maize Products	35.7	9	1.1	47	3.2	2.4	5.9	7.3	9	7	7	33	0.88
Amstar [5]	159.1	1	3.0	22	1.9	1.5	6.6	8.3	8	4	6	105	3.20
Beatrice Foods [10]	743.7	18	20.1	19	2.7	2.7	15.0	19.0	18	15	11	1,705	1.36
Borden	559.7	6	15.3	8	2.7	2.7	7.5	9.6	10	8	2	918	2.21
Brewer (C.)	39.7	15	1.9	37	4.7	4.0	7.9	7.9	9	9	10	70	1.61
CPC International	400.1	12	15.4	33	3.9	3.2	11.7	13.9	10	5	2	772	2.88
Campbell Soup [5]	328.4	12	23.3	34	7.1	6.0	12.8	13.1	14	5	4	1,120	2.14
Campbell-Taggart	91.7	17	2.7	−6	2.9	3.7	11.4	13.4	10	8	7	140	2.62
Carnation	324.9	12	15.0	12	4.4	4.4	12.5	15.1	25	13	16	1,588	3.29
Castle & Cooke	133.3	2	5.2	2	3.9	3.9	NA	NA	NA	8	7	210	NA
Central Soya [4]	306.3	37	7.7	84	2.5	1.9	12.3	13.7	10	8	7	206	2.67
Consolidated Foods [6]	504.3	17	14.9	13	3.0	3.1	12.2	15.0	13	20	12	1,162	2.63
Cook Industries [7]	**72.6	76	9.1	NM	12.5	1.8	25.5	28.9	4	15	−10	53	4.27
Del Monte [7]	242.1	6	5.9	9	2.5	2.4	8.7	10.4	9	4	2	282	2.07
Esmark [3]	867.9	14	9.3	37	1.1	0.9	6.8	9.5	8	−1	6	478	3.09
Fairmont Foods [10]	92.3	8	1.1	29	1.2	1.0	7.5	9.5	8	1	−4	57	1.20
Federal [7]	**77.6	27	1.7	18	2.3	2.4	8.8	8.9	7	17	0	66	3.86
General Mills [7]	384.1	18	13.6	16	3.5	3.6	11.8	20.4	22	7	12	1,300	2.73
Greyhound	**778.8	19	8.7	4	1.1	1.3	9.3	13.6	9	14	5	775	1.67
Heinz (H.J.) [8]	285.5	10	7.4	8	2.6	2.6	10.6	11.2	14	11	9	602	2.93
Helme Products	27.2	20	0.7	7	2.6	3.0	8.3	10.1	9	10	1	29	1.62
Hormel (Geo. A.) [2]	178.2	3	1.8	−25	1.0	1.4	7.5	7.2	13	8	15	96	1.50
Intl Multifoods [10]	148.3	25	3.3	20	2.2	2.3	9.0	10.6	9	7	4	113	2.79
Iowa Beef Processors [2]	369.7	36	3.0	106	0.8	0.5	13.0	19.0	6	36	8	79	3.58
Kane-Miller	139.5	52	1.7	363	1.2	0.4	7.4	9.8	6	58	16	33	2.34
Keebler	51.0	11	0.8	9	1.6	1.6	7.7	9.0	13	1	8	54	2.17
Kellogg	212.3	25	14.0	15	6.6	7.1	20.6	22.2	18	10	8	1,143	0.85
Kraftco	856.8	10	26.7	7	3.1	3.2	11.5	13.3	12	5	6	1,388	3.63
Libby, McNeill & Libby [6]	120.4	11	0.5	NM	0.5	NM	0.9	1.1	38	3	−16	55	0.13
Mayer (Oscar) [2]	193.6	16	4.9	33	2.5	2.2	10.4	12.7	14	9	14	289	1.83
Missouri Beef Packers [2]	116.7	42	0.8	178	0.7	0.4	13.4	17.4	5	30	NA	21	2.51
Nabisco	315.0	14	13.4	1	4.3	4.8	11.9	16.3	13	6	3	909	3.61
Norton Simon [6]	349.2	6	20.1	20	5.8	5.1	11.3	19.8	18	5	12	1,115	1.83
Pillsbury [7]	196.5	15	4.1	44	2.1	1.7	8.7	11.8	12	6	6	272	3.78
Ralston Purina [3]	**570.6	29	18.3	20	3.2	3.4	10.9	15.5	19	8	10	1,533	1.98
Rath Packing [3]	86.9	23	0.5	NM	0.5	NM	NM	−23.1	NM	−8	NA	7	−3.50
Seaboard Allied Milling [7]	38.5	31	0.5	44	1.3	1.1	11.8	10.4	5	3	18	11	1.74
Staley (A.E.) Mfg. [3]	112.4	36	2.2	128	1.9	1.2	8.1	7.3	10	4	1	77	2.89
Standard Brands	*321.6	9	11.1	10	3.5	3.4	10.1	14.5	16	8	8	734	3.27
Stokely-Van Camp [7]	79.8	2	1.9	11	2.3	2.1	8.1	7.9	8	7	6	69	2.22
Sucrest [6]	39.7	13	−0.1	NM	NM	0.7	2.1	−0.4	NM	4	−3	10	−0.10
Tropicana Products [4]	30.8	15	2.3	12	7.3	7.5	21.2	24.3	36	NA	NA	533	0.99
Wrigley (Wm.) Jr.	52.0	7	4.2	7	8.0	8.1	14.8	14.6	13	5	5	239	4.71
Industry Composite	11,080.6	16	320.4	22	2.9	2.7	10.7	13.5	13	6	6	20,507	2.11
GENERAL MACHINERY													
Machine tools, industrial machinery, metal fabricators, etc.													
ATO	103.0	11	2.2	12	2.2	2.1	7.1	12.2	7	56	0	66	0.97
Acme-Cleveland [3]	33.1	38	1.9	146	5.8	3.3	7.5	−8.3	10	NA	NA	65	1.39
American Chain & Cable	58.9	53	2.0	NM	3.4	0.0	†7.9	†7.8	8	4	−1	52	2.88
Amtel	36.7	43	0.6	178	1.6	0.8	5.2	4.0	22	37	−20	22	0.25
Associated Spring	42.6	11	1.8	27	4.2	3.7	10.6	11.9	9	8	13	75	2.98
Babcock & Wilcox	238.4	−3	5.0	−11	2.1	2.3	6.9	7.7	14	4	−5	340	1.92
Baker Oil Tools [3]	44.2	5	2.7	14	6.1	5.6	12.4	16.1	27	12	10	309	1.12
Black & Decker Mfg [3]	113.9	22	9.7	24	8.5	8.4	15.2	16.6	43	13	13	1,378	2.33
Briggs & Stratton [6]	79.6	19	9.2	19	11.6	11.5	28.2	28.2	14	6	6	428	3.72
Cincinnati Milacron	82.3	39	2.0	NM	2.5	NM	3.5	2.9	30	8	−8	159	1.13
Combustion Engineering	248.5	9	8.9	8	3.6	3.6	10.8	15.2	17	12	14	593	3.82
Continental Copper & Steel [6]	26.9	27	1.4	NM	5.4	NM	NM	−8.0	NM	7	26	12	−0.90
Cooper Industries	65.9	21	3.8	40	5.7	4.9	9.3	13.8	11	9	6	152	2.74
Crompton & Knowles	29.1	−5	1.0	2	3.5	3.2	7.4	9.8	8	5	3	38	1.80
Dover	62.3	31	4.2	28	6.8	7.0	16.6	18.1	12	16	13	249	3.38
Dresser Industries [2]	215.1	6	7.6	6	3.5	3.5	8.6	18.8	14	2	10	469	2.90
Dymo Industries [6]	32.9	20	1.2	40	3.7	3.2	9.4	11.5	11	13	4	51	1.69
Embart	66.9	1	2.7	−19	4.0	5.0	9.1	9.7	9	13	7	157	2.81
Ex-Cell-O [1]	75.6	19	3.5	103	4.6	2.7	6.0	6.5	13	8	−3	174	1.38
Foster Wheeler	111.8	−14	1.7	14	1.6	1.2	9.4	11.6	14	4	14	57	2.33
Gardner-Denver	58.1	25	5.0	11	8.6	9.6	14.7	14.7	13	10	10	441	1.42
Garlock	31.7	33	1.4	42	4.5	4.2	9.9	12.0	8	8	12	45	2.07
Harris-Intertype [5]	114.5	29	4.2	29	3.6	3.6	7.6	8.6	12	13	5	288	2.43
Hobart Manufacturing	75.3	41	5.2	100	7.0	4.9	14.1	17.8	16	10	9	417	1.82
Ingersoll-Rand	233.0	14	18.6	14	8.0	8.0	13.0	15.2	14	11	7	1,008	4.30
Joy Manufacturing [3]	81.4	1	1.7	−63	2.1	5.9	5.0	5.5	15	10	17	184	1.65
Katy Industries	35.0	40	1.1	33	3.1	3.3	† 7.6	† 5.0	10	NA	NA	36	0.60
Keene	39.6	21	0.7	14	1.8	1.9	5.5	8.4	8	64	33	35	0.86
McNeil	**33.4	14	1.4	44	4.2	3.3	7.1	8.1	8	7	3	42	1.71
Midland-Ross	78.2	26	1.8	24	2.2	2.3	5.4	6.5	9	5	−1	86	1.48
Omark Industries [6]	27.1	14	1.7	59	6.1	4.4	9.8	11.3	7	22	2	52	1.40
Otis Elevator	**163.2	9	8.1	9	4.9	4.9	9.5	11.5	10	5	1	347	3.60
Outboard Marine [3]	138.5	21	13.5	39	9.8	8.5	15.5	19.0	9	8	14	360	4.07
Parker-Hannifin [6]	86.6	27	4.4	42	5.1	4.6	11.7	16.2	10	15	8	193	2.40
Peabody Galion [3]	42.1	24	1.6	27	3.9	3.8	11.9	14.2	22	28	24	235	1.20
Roper	86.0	22	2.3	15	2.6	2.8	10.2	10.4	8	10	2	78	2.94
Smith International	**28.6	25	1.8	51	6.1	5.1	11.3	13.8	22	30	16	150	1.97
Stewart-Warner	55.4	15	3.4	32	6.1	5.3	12.5	12.5	10	5	2	144	3.05
Sundstrand	86.4	29	3.0	69	3.5	2.6	5.6	5.3	14	21	0	183	1.34
U.S. Filter	34.3	13	1.6	23	4.6	4.2	11.6	12.4	12	22	25	150	0.80
USM [10]	149.3	18	4.2	230	2.8	1.0	4.6	4.7	8	2	−5	96	2.16
Warner & Swasey	51.1	47	2.4	186	4.7	2.4	6.3	6.2	15	10	−5	148	1.89
Wean United	39.4	−22	0.0	−96	0.1	1.3	−0.8	−4.3	NM	1	NA	13	−0.56
Industry Composite	3,536.0	15	162.3	28	4.6	4.1	NM	11.5	13	7	4	9,579	2.15

Footnotes at end of the table.

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4-30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
INSTRUMENTS													
Controls, measuring devices, photo and optical													
Ametek	$43.8	14	$2.0	51	4.6	3.5	12.0	14.9	10	10	3	$91	$1.41
Bausch & Lomb	50.5	18	2.3	15	4.5	4.6	8.5	9.2	15	11	9	152	1.35
Beckman Instruments [6]	41.8	9	1.5	22	3.6	3.2	6.7	7.2	21	8	1	166	1.54
Bell & Howell	**94.8	16	3.8	25	4.0	3.8	10.1	11.1	10	11	13	307	3.11
E G & G	33.1	6	0.8	19	2.5	2.2	9.7	13.5	18	22	4	94	0.69
Eastman Kodak	797.6	19	122.8	38	15.4	13.3	20.6	21.8	37	14	14	23,975	3.60
Fisher Scientific	34.6	14	0.8	6	2.4	2.6	5.3	6.1	11	8	−8	41	0.78
Foxboro	35.1	−10	0.7	−39	2.1	3.1	4.1	3.8	27	12	−2	132	0.90
General Signal	92.2	10	3.9	19	4.2	3.9	13.2	14.0	17	16	10	422	2.44
Hewlett-Packard	127.0	30	8.1	31	6.4	6.3	15.0	14.7	55	23	15	2,288	1.48
Itek	49.2	10	1.2	3	2.3	2.5	6.7	7.4	15	26	12	145	1.84
Johnson Service	53.3	7	2.2	2	4.1	4.3	11.7	17.4	9	6	6	129	2.34
Minnesota Mining & Manufacturing	576.0	16	65.3	19	11.3	11.0	17.6	19.5	35	13	10	9,680	2.26
Polaroid	**135.3	21	11.3	28	8.3	7.9	7.9	7.9	92	27	19	4,143	1.37
Ranco [3]	27.5	9	1.3	2	4.7	5.0	11.3	13.3	8	4	3	51	1.98
Robertshaw Controls	49.0	15	2.6	12	5.3	5.5	10.9	12.7	8	7	11	145	2.60
Sherwood Medical Industries	32.1	5	2.3	2	7.0	7.3	13.3	16.9	12	NA	NA	171	1.72
Technicon	29.0	19	3.2	68	11.1	7.9	14.7	14.9	18	NA	NA	369	0.61
Tektronix	59.5	21	4.7	26	7.8	7.5	11.3	11.2	19	19	9	407	1.87
Varian Associates [5]	60.8	18	1.6	283	2.7	0.8	4.8	4.8	15	10	−2	131	0.82
Industry Composite	2,422.2	17	242.3	29	10.0	9.0	16.0	17.3	23	12	11	43,039	2.46
LEISURE TIME INDUSTRIES													
American Greetings [10]	**48.2	12	4.2	13	8.6	8.6	13.7	16.1	37	12	11	649	1.07
AMF	218.9	5	14.7	6	6.7	6.6	14.5	21.6	10	5	10	1,038	3.01
Brunswick	174.5	25	9.2	25	5.3	5.2	12.6	15.0	11	2	22	687	1.98
Coleman	51.0	23	3.1	37	6.0	5.4	11.5	14.3	14	14	11	242	1.44
Denny's [6]	**48.7	13	0.9	50	1.9	1.5	NA	13.1	19	40	16	113	0.68
Disney (Walt) Productions	86.5	15	10.4	15	12.0	12.0	8.3	10.2	61	31	14	3,379	1.45
Fuqua Industries	**119.1	25	3.2	28	2.7	2.7	9.3	13.9	7	33	44	166	1.92
Gino's	33.0	25	0.8	43	2.5	2.2	12.5	23.7	17	48	39	142	1.14
Hilton Hotels	91.9	10	5.8	55	6.3	4.5	6.6	10.2	11	6	16	351	2.28
Holiday Inns	**193.8	12	7.4	10	3.8	3.9	7.5	11.9	17	42	30	1,288	1.39
Host International	36.3	12	1.0	15	2.8	2.7	11.5	18.2	13	23	19	133	1.14
Howard Johnson	78.2	13	3.2	29	4.1	3.6	13.7	14.1	25	17	11	722	0.93
Huffman Manufacturing [7]	30.3	22	0.5	111	1.6	0.9	11.5	13.2	8	20	−10	25	1.59
Madison Square Garden [7]	29.2	28	0.8	131	2.8	1.6	3.5	3.4	18	49	NA	84	0.12
Marriott [8]	**152.9	31	4.7	26	3.1	3.2	7.0	12.4	42	27	20	1,069	0.66
Metro-Goldwyn-Mayer [4]	**45.4	−6	3.2	19	7.0	5.5	7.6	9.2	12	0	8	135	1.58
Murray Ohio Manufacturing	32.0	13	1.5	20	4.6	4.4	13.1	15.5	10	7	7	66	2.50
National Homes	49.0	25	−2.0	NM	NM	.6	4.4	4.1	15	13	31	73	0.48
Norlin	37.0	23	1.4	31	3.7	3.5	9.5	11.7	5	14	7	45	3.38
Ramada Inns	**39.2	18	3.6	18	9.1	9.1	7.0	13.7	18	6	23	454	0.64
Skyline [7]	66.4	4	2.2	−35	3.3	5.2	30.5	30.5	9	37	42	364	1.68
Webb (Del E.)	**73.5	−12	1.3	46	1.8	1.1	5.8	8.7	11	8	−1	64	0.54
Western Publishing	44.7	6	.7	25	5.7	3.2	8.9	11.5	8	4	1	101	2.17
Winnebago Industries [10]	48.3	37	4.0	13	8.3	10.0	33.2	33.5	16	NA	NA	668	0.77
Industry Composite	1,828.1	15	86.6	14	4.7	4.8	9.4	13.6	17	11	16	12,058	1.23
METALS AND MINING													
Nonferrous metals, coal, iron ore, etc.													
Aluminum Co. of America	495.9	19	21.1	9	4.3	4.7	6.1	8.1	12	6	6	1,162	4.67
American Metal Climax	266.7	32	20.2	47	7.6	6.8	NA	12.0	11	10	6	779	2.89
American Smelting & Refining	256.0	22	16.8	33	6.5	6.0	7.6	7.8	10	10	10	497	2.00
Anaconda	301.6	27	13.3	46	4.4	3.8	5.4	5.3	9	0	2	430	2.18
Belden	36.2	23	1.2	6	3.4	4.0	10.5	14.5	9	8	6	58	2.46
Chromalloy American	149.8	29	4.9	33	3.3	3.2	9.3	14.3	8	39	22	185	1.94
Copper Range	31.7	24	0.6	NM	1.9	NM	NM	−1.5	NM	7	14	38	−0.63
Cyprus Mines	**88.6	17	8.1	15	9.1	9.3	9.9	13.4	9	8	17	276	3.35
Eastern Gas & Fuel Associates	97.6	0	6.5	−15	6.6	7.8	6.7	8.9	15	10	17	212	1.68
Essex International	203.7	26	11.0	18	5.4	5.7	11.8	17.3	8	16	13	461	2.10
Gulf Resources & Chemical	**33.2	8	1.5	696	4.4	0.6	9.8	37.3	10	11	0	38	0.85
Homestake Mining	**29.8	123	3.6	251	12.2	7.7	10.6	12.0	24	9	−6	132	1.75
Kaiser Aluminum & Chemical	287.2	26	9.7	316	3.4	1.0	4.1	3.4	14	12	−3	340	1.01
Kennecott Copper	318.4	19	28.6	56	9.0	6.9	7.3	8.1	9	6	7	788	2.94
Martin Marietta Aluminum	60.2	16	0.0	−99	0.0	2.7	NM	0.3	NM	10	−7	81	0.06
North American Coal	31.5	38	0.7	−34	2.1	4.4	6.1	8.2	15	4	5	40	1.50
Phelps Dodge	**216.6	17	25.3	15	11.7	11.9	10.1	11.5	10	7	8	808	4.17
Pittston	192.7	0	7.4	−25	3.9	5.2	7.3	9.6	20	14	13	411	1.28
Revere Copper & Brass	116.2	24	−0.9	NM	NM	NM	NM	−0.8	NM	5	−3	50	−0.21
Reynolds Metals	316.8	17	3.5	NM	1.1	NM	NM	0.7	58	6	−9	276	0.24
Triangle Industries	53.2	29	1.0	44	1.9	1.7	6.4	6.5	9	7	3	28	1.48
Universal Oil Products	132.9	22	4.3	22	3.2	3.2	7.9	8.6	12	11	4	228	1.41
Industry Composite	3,716.6	22	188.3	35	5.1	4.6	6.1	7.7	14	6	4	7,318	2.21
MISCELLANEOUS MANUFACTURING													
ACF Industries	107.3	23	7.3	45	6.8	5.8	6.4	10.4	12	4	4	266	3.81
Allied Products	55.1	19	1.2	69	2.2	1.6	7.9	11.1	6	15	11	35	2.71
Amsted Industries [3]	87.7	28	3.1	123	3.5	2.0	10.1	10.4	8	4	2	115	5.18
Apache	**34.2	20	1.6	28	4.6	4.3	7.2	11.5	8	22	18	55	1.72
Armstrong Cork	192.0	19	14.8	39	7.7	6.6	9.8	11.5	13	9	0	848	1.76
Athlone Industries	43.9	21	1.2	53	2.7	2.1	6.8	12.4	6	127	10	23	2.41
Bangor Punta [2]	**84.1	29	2.6	201	3.1	1.3	5.5	7.8	5	40	−11	72	1.97
Bath Industries	88.3	16	4.3	26	4.8	4.5	18.6	25.8	8	6	21	285	2.90
Bemis	**116.4	15	2.8	24	2.4	2.2	7.3	9.3	8	7	9	115	2.37
Carborundum	96.2	16	4.7	40	4.9	4.0	8.5	9.5	12	7	7	258	4.78
Ceco	51.5	11	1.0	−21	2.0	2.8	8.8	12.5	8	7	11	82	2.37
Corning Glass Works	204.0	22	18.3	36	9.0	8.1	13.1	13.6	30	11	4	1,916	3.33
Eagle-Picher Industries [1]	69.7	7	3.1	30	4.4	3.6	10.2	14.1	10	7	12	118	2.77
Gable Industries [6]	42.1	49	1.7	63	4.0	3.7	NA	NA	7	1	7	54	2.52
General Cable	107.1	26	3.7	4	3.5	4.3	9.1	9.6	10	8	2	203	1.08
General Refractories	47.8	22	0.3	NM	0.7	NM	3.2	2.8	11	2	−10	28	0.57

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 1ST QUARTER 1973—Continued

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
MISCELLANEOUS MANUFACTURING—Continued													
Handy & Harman	$78.2	52	$1.3	77	1.7	1.5	10.8	12.0	11	14	3	$40	$1.66
Howmet	86.4	25	3.6	−24	4.1	6.8	5.7	9.8	10	13	17	125	1.24
Illinois Tool Works	46.2	29	3.8	38	8.2	7.7	16.7	17.5	23	15	14	386	1.32
Insilco	88.7	11	3.0	2	3.4	3.8	8.4	15.7	8	7	7	140	1.31
Kroehler Manufacturing	31.7	8	0.6	4	1.9	2.0	6.8	6.8	7	4	9	34	2.69
Ludlow	49.4	7	0.8	−37	1.6	2.8	8.1	11.5	8	4	5	59	1.71
Microdot	59.0	33	2.8	62	4.8	3.9	12.6	21.3	6	37	15	67	2.09
Mohasco Industries	117.7	19	3.3	12	2.8	3.0	8.3	9.9	8	9	8	186	2.37
Norton	110.2	22	6.3	74	5.7	4.0	7.3	7.9	8	3	−2	175	3.21
Philips Industries [9]	51.4	6	2.0	49	4.0	2.8	11.5	14.3	6	57	32	49	1.10
Porter (H.K.)	**67.2	17	0.7	NM	1.0	NM	2.3	1.4	32	3	−16	33	0.77
PPG Industries	370.2	14	24.0	28	6.5	5.8	9.3	12.3	8	3	3	977	4.23
Premier Industrial [7]	28.4	13	1.6	7	5.7	6.0	13.2	25.7	10	7	13	102	0.90
Pullman	**221.3	20	6.3	53	2.8	2.2	7.5	8.5	14	3	6	225	4.18
Scott & Fetzer [1]	59.8	20	4.2	18	7.0	7.1	23.4	25.0	14	31	16	286	2.49
Scovill Manufacturing	145.2	21	4.6	25	3.1	3.0	9.0	11.5	9	7	14	193	2.32
Signode	79.6	27	5.1	39	6.4	5.9	12.2	15.5	18	13	12	360	2.68
Simmons	93.7	19	2.7	33	2.9	2.6	8.8	9.7	10	8	9	179	2.00
Standard Pressed Steel	35.8	21	1.5	467	4.2	0.9	7.2	7.3	9	3	10	44	0.82
Stanley Works	**114.0	23	5.3	23	4.7	4.7	11.4	13.3	12	9	13	347	2.70
Todd Shipyards [9]	44.4	3	0.9	NM	2.0	NM	NM	0.5	84	4	−10	34	0.19
Trans Union	**76.3	19	6.5	10	8.5	9.1	6.2	13.7	12	8	26	438	2.66
Tyler	38.1	19	1.4	7	3.7	4.2	11.7	19.6	6	47	12	67	2.78
U.S. Industries	409.2	9	19.1	1	4.7	5.0	13.1	16.4	5	47	23	597	2.40
Vulcan Materials	65.3	19	1.6	206	2.5	1.0	11.6	15.8	8	7	6	154	3.09
Walco National [6]	27.6	24	0.6	28	2.0	2.0	7.8	8.7	8	7	−9	13	1.94
Wheelabrator-Frye	52.0	32	1.9	28	3.6	3.7	7.0	9.4	12	5	−5	173	1.06
Industry Composite	4,075.2	19.	187.3	31	4.6	4.1	9.2	12.1	12	8	5	9,955	2.32
NONBANK FINANCIAL													
Aetna Life & Casualty	1,238.2	17	34.4	35	2.8	2.4	10.2	12.7	9	NA	NA	1,934	6.82
Capital Holding	77.0	8	8.9	12	11.5	11.1	9.2	11.1	18	NA	NA	765	1.37
Crum & Forster	180.4	11	13.0	16	7.2	6.9	9.9	12.4	7	14	31	423	3.77
Heller (Walter E.) Intl	36.2	19	5.6	13	15.4	16.1	11.7	16.2	16	11	9	402	2.06
Hutton (E.F.)	**36.4	−11	1.5	−67	4.1	11.0	18.4	15.8	5	NA	NA	80	1.69
INA	443.9	19	20.7	−10	4.7	6.2	NA	NA	8	NA	NA	NA	4.34
Marlennan	**55.8	10	8.3	11	14.9	14.9	24.0	24.6	18	18	13	621	1.96
Merrill Lynch	**184.4	−7	10.8	−57	5.9	12.7	22.4	13.0	9	NA	NA	1,000	1.73
Pasco	**26.4	NM	0.9	201	3.4	44.9	1.3	2.2	35	NA	NA	80	0.31
Transamerica	**495.3	7	21.2	14	4.3	4.0	8.7	10.5	10	13	2	1,153	1.24
USLIFE	79.5	12	5.4	14	6.8	6.7	11.2	18.6	19	NA	NA	661	2.89
Industry Composite	2,853.5	14	130.6	0	4.6	5.2	NA	NA	15	NA	NA	7,148	2.57
OFFICE EQUIPMENT, COMPUTERS													
Addressograph-Multigraph [5]	114.7	11	3.2	4	2.8	3.0	7.3	8.3	8	8	−4	265	2.10
Apeco [1]	31.0	14	0.8	−32	2.6	4.3	6.7	7.1	17	13	4	64	0.31
Burroughs	**274.4	24	16.3	34	6.0	5.5	9.7	12.7	44	21	25	4,057	4.90
Control Data	200.6	57	17.1	63	8.5	8.3	5.6	8.8	10	47	27	948	4.30
Diebold	45.6	23	2.9	60	6.3	4.8	13.1	15.7	22	16	13	234	2.04
Digital Equipment [6]	**67.4	41	6.2	68	9.1	7.7	13.3	13.0	44	67	43	949	1.80
Honeywell	525.9	17	16.1	44	3.1	2.5	7.7	10.0	24	15	7	2,617	4.32
Intl Business Machines	2,450.5	6	340.1	11	13.9	13.2	16.9	18.1	36	17	15	46,792	11.31
Nashua	48.1	22	2.5	30	5.3	5.0	13.5	17.5	20	14	16	259	2.28
National Cash Register	367.4	12	7.5	NM	2.0	NM	NM	−7.9	NM	12	−15	712	−2.07
Standard Register	29.1	12	1.0	75	3.5	2.2	7.2	8.3	11	5	−3	37	1.58
Uarco [3]	32.8	10	1.2	21	3.7	3.3	7.9	10.1	10	7	3	44	1.97
Victor Comptometer	50.5	15	0.9	8	1.9	2.0	8.4	9.1	11	10	4	94	1.19
Xerox	668.7	22	69.8	22	10.4	10.4	19.0	21.8	43	35	28	11,793	3.31
Industry Composite	4,906.7	13	485.7	20	9.9	9.3	13.1	15.3	23	17	13	68,865	5.77
OIL													
rude, integrated domestic and international													
Amerada Hess	**405.2	10	36.7	25	9.1	8.0	6.7	NM	27	NA	NA	934	1.42
American Petrofina	73.6	12	4.7	105	6.4	3.5	12.3	14.1	14	11	30	247	2.67
Apco Oil	**30.7	9	0.9	−34	2.9	4.8	7.2	8.8	8	24	11	62	2.11
Ashland Oil [3]	439.0	9	15.9	41	3.6	2.8	9.8	20.6	9	10	6	737	2.98
Atlantic Richfield	*997.6	5	50.3	52	5.0	3.5	6.5	8.8	21	16	6	3,589	3.71
Belco Petroleum	**30.7	−3	3.0	25	9.7	7.5	7.9	10.3	8	18	10	104	1.46
Cities Service	521.8	10	34.4	17	6.6	6.2	6.8	7.4	12	9	4	1,245	4.02
Commonwealth Oil Refining	91.1	38	2.8	13	3.1	3.8	4.0	0.9	90	12	−8	118	0.10
Continental Oil	***931.2	9	47.5	12	5.1	5.0	8.0	11.0	10	10	6	2,001	3.48
Crown Central Petroleum	**42.5	−2	0.3	35	0.7	0.5	3.6	2.9	19	8	2	31	0.96
Exxon	5,674.0	13	508.0	43	9.0	7.1	11.2	13.9	13	5	5	19,623	7.52
Getty Oil	360.6	4	27.0	21	7.5	6.4	4.8	5.6	28	14	8	1,755	4.23
Gulf Oil	***2,103.0	9	165.0	19	7.8	7.2	6.6	8.5	11	6	5	5,608	2.28
Kerr-McGee	174.8	8	11.9	20	6.8	6.1	8.8	11.9	30	16	8	1,606	2.18
Marathon Oil	**354.9	17	24.2	50	6.8	5.3	8.7	11.2	12	6	8	1,064	2.94
Mississippi River	**42.2	−2	3.7	13	8.7	7.6	8.2	11.4	10	4	4	168	1.53
Mobil Oil	***2,790.0	13	155.8	10	5.6	5.7	9.7	11.5	12	5	9	7,529	5.79
Murphy Oil	**107.9	14	6.5	58	6.0	4.3	5.6	9.0	18	9	9	365	2.89
Occidental Petroleum	681.4	2	9.6	70	1.4	0.8	1.4	0.5	NM	35	19	647	0.03
Pennzoil	**255.1	26	19.6	24	7.7	7.8	7.8	10.7	12	31	15	591	1.91
Phillips Petroleum	**680.8	7	43.4	22	6.4	5.6	7.4	8.7	22	5	1	3,345	2.08
Quaker State Oil Refining	45.0	21	3.6	6	8.0	9.1	13.1	18.0	29	12	21	638	1.10
Shell Oil	1,083.5	12	80.2	49	7.4	5.5	8.1	9.9	11	8	3	3,699	4.26
Skelly Oil	***153.4	5	10.0	3	6.5	6.8	6.4	6.7	21	5	6	731	3.19
Standard Oil (Indiana)	1,469.0	11	121.1	12	8.2	7.5	8.8	10.6	15	4	9	6,109	5.66
Standard Oil (Calif.)	1,608.4	17	152.8	24	9.5	9.0	10.0	11.2	13	8	5	6,755	6.80
Standard Oil (Ohio)	**402.9	10	17.5	48	4.3	3.2	5.5	6.2	19	16	6	1,248	4.81
Suburban Propane Gas [8]	49.2	19	3.8	14	7.8	8.1	9.0	14.4	11	6	7	131	2.00
Tesoro Petroleum [3]	**62.5	9	4.3	88	6.8	4.0	15.2	19.3	10	47	62	192	3.17
Texaco	**2,495.0	14	264.0	15	10.6	10.5	10.3	13.0	12	9	6	10,201	3.39
Union Oil of California	***636.9	10	38.3	28	6.1	5.1	7.0	10.2	10	8	7	1,131	3.74
Industry Composite	24,799.9	14	1,866.8	27	7.5	6.8	8.6	11.1	18	6	5	82,202	3.99

Footnotes at end of table.

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4-30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
PAPER													
Avery Products [1]	$53.7	28	$2.6	72	4.8	3.5	10.9	14.6	38	27	16	$379	$1.01
Crown Zellerbach	319.5	24	22.7	197	7.1	3.0	7.5	10.2	11	4	0	682	2.47
Dennison Manufacturing	**45.7	16	1.9	18	4.2	4.1	10.5	14.0	8	13	13	94	3.14
Fort Howard Paper	27.9	13	3.4	15	12.0	11.9	16.9	17.8	29	NA	NA	393	2.02
Great Northern-Nekoosa	116.4	19	5.2	24	4.5	4.3	5.7	8.0	13	15	9	269	3.57
Hammermill Paper	104.7	14	2.4	360	2.3	0.6	3.5	3.9	13	13	−6	115	.92
International Paper	552.0	9	29.8	48	5.4	4.0	7.9	10.2	14	3	2	1,865	2.51
Kimberly-Clark	282.0	12	21.4	54	7.6	5.5	8.9	11.4	15	5	1	954	2.71
Masonite [4]	60.4	6	5.7	16	9.5	8.6	14.9	16.3	14	9	13	513	1.74
Mead	301.8	12	8.0	80	2.6	1.7	5.5	5.4	11	9	−4	242	1.29
Scott Paper	221.5	14	14.0	62	6.3	4.5	7.2	8.2	11	7	−2	532	1.26
St. Regis Paper	**257.0	8	11.5	66	4.5	2.9	6.4	8.5	13	3	4	625	3.21
Union Camp	171.5	20	12.2	50	7.1	5.7	9.6	14.1	15	5	7	736	2.84
Westvaco [3]	127.5	19	5.2	NM	4.1	0.4	5.4	6.9	14	4	−1	284	1.66
Industry Composite	2,641.5	14	146.0	70	5.5	3.7	7.4	9.7	16	5	2	7,682	2.14
PERSONAL CARE PRODUCTS:													
Cosmetics, soap, etc.													
Alberto-Culver [3]	49.2	10	1.4	16	2.8	2.7	12.1	12.8	13	26	13	134	1.29
Avon Products	220.9	19	20.3	19	9.2	9.2	33.3	36.9	59	18	17	7,910	2.22
Chesebrough-Pond's	92.5	11	6.7	20	7.3	6.7	16.0	19.5	34	13	12	1,085	2.28
Colgate-Palmolive	491.9	13	15.3	22	3.1	2.9	14.8	16.3	28	6	9	1,976	3.35
Economics Laboratory [6]	48.7	24	2.9	19	6.0	6.3	13.5	17.9	39	23	17	512	.87
Faberge	31.6	2	1.3	7	4.3	4.1	7.8	8.1	7	27	3	85	1.32
Gillette	231.9	18	20.8	21	9.0	8.7	18.7	24.0	21	12	6	1,888	2.65
Procter & Gamble [6]	1,024.3	12	86.6	12	8.5	8.4	16.1	18.4	27	7	10	9,134	3.66
Industry Composite	2,190.9	14	155.4	15	7.1	7.0	17.7	20.4	28	10	10	22,724	2.79
PUBLISHING:													
Periodicals, books, newspapers													
Gannett	68.9	10	5.0	26	7.3	6.4	11.4	14.8	31	17	14	783	1.18
Knight Newspapers	77.6	8	4.2	14	5.4	5.1	13.3	16.2	21	NA	NA	552	2.04
Macmillan	84.3	4	1.5	22	1.8	1.5	5.8	6.7	7	20	7	162	1.05
McGraw-Hill	94.2	10	2.0	227	2.1	0.7	10.3	12.6	10	11	3	394	.98
Media General	30.4	14	2.0	33	6.7	5.7	8.9	11.8	16	NA	NA	142	2.36
Meredith [6]	43.5	0	1.5	58	3.4	2.2	5.8	7.6	8	8	8	56	1.74
New York Times	**84.5	7	4.0	64	4.7	3.1	11.1	12.1	11	14	32	166	1.20
Prentice-Hall	30.8	6	1.9	12	6.3	6.0	22.7	22.7	11	15	16	335	1.67
Ridder Publications	35.1	7	2.3	6	6.7	6.7	11.2	11.2	15	NA	NA	195	1.34
Time	124.4	8	5.3	74	4.3	2.6	9.2	12.4	9	9	3	461	4.27
Times Mirror	**149.2	21	10.3	79	6.9	4.7	13.2	19.4	13	14	12	798	1.38
Washington Post	54.4	13	1.4	84	2.6	1.6	10.1	14.1	11	NA	NA	180	2.21
Industry Composite	877.3	10	41.5	49	4.7	3.5	10.5	13.4	14	9	0	4,225	1.50
RADIO AND BROADCASTING													
American Broadcasting	236.0	14	9.8	53	4.2	3.1	11.4	17.0	11	8	8	646	2.20
Capital Cities Broadcasting	29.5	10	4.1	16	13.8	13.0	10.6	18.5	20	29	21	432	2.33
Columbia Broadcasting System	363.7	12	16.9	37	4.6	3.8	15.6	23.0	12	7	4	1,419	3.03
Metromedia	49.4	21	1.5	39	3.1	2.7	†10.0	†14.9	8	23	8	189	2.11
Wometco Enterprises	**28.0	18	1.5	28	5.3	4.9	9.0	13.1	12	20	11	106	1.16
Industry Composite	706.6	13	33.8	38	4.8	3.9	12.7	19.4	31	10	6	2,792	2.47
RAILROADS													
Burlington Northern	289.1	15	13.7	95	4.7	2.8	3.5	3.7	9	NA	NA	609	4.33
Missouri Pacific Railroad	175.7	15	6.8	17	3.9	3.8	3.1	3.3	9	NA	−3	155	9.25
Norfolk & Western Railway	222.4	6	16.8	10	7.6	7.3	4.2	5.5	10	NA	−5	693	6.27
Rio Grande Industries	34.4	1	3.1	−9	9.1	10.1	6.6	6.2	5	NA	NA	71	2.36
Santa Fe Industries	274.2	21	20.3	11	7.4	8.1	5.1	6.3	8	NA	−1	822	3.31
Seaboard Coast Line Industries	299.4	10	16.4	−15	5.5	7.1	7.4	9.0	6	NA	2	689	5.76
Southern Pacific	362.9	6	14.1	−28	3.9	5.7	4.9	6.2	9	NA	1	1,174	3.85
Southern Railway	190.1	6	17.9	11	9.4	9.1	6.1	7.0	9	NA	4	709	4.07
Union Pacific	281.1	9	24.7	37	8.8	7.0	5.2	7.3	12	NA	2	1,550	4.93
Industry Composite	2,129.2	11	134.0	9	6.3	6.4	4.9	6.1	8	NA	0	6,472	4.26
RETAILING													
Department, discount, mail order, variety food, specialty stores													
Alexander's [5]	114.4	2	1.1	−43	1.0	1.7	3.0	.6	83	NA	NA	42	.06
Allied Stores [11]	530.8	16	24.7	19	4.7	4.5	6.3	8.8	8	6	3	323	3.27
Amfac	183.6	27	5.2	3	2.8	3.5	8.2	11.7	8	11	12	335	2.16
Associated Dry Goods [11]	382.9	11	25.2	16	6.6	6.3	10.8	13.6	13	13	10	635	3.16
Bayless (A. J.) Markets	33.4	17	0.6	3	1.7	1.9	12.7	14.3	7	6	12	25	1.91
Broadway-Hale Stores [11]	340.9	21	19.8	25	5.8	5.6	11.9	19.1	17	11	7	901	1.87
Colonial Stores	175.4	5	1.9	−6	1.1	1.2	9.1	10.9	8	7	7	96	2.06
Cook United	105.7	10	−.7	NM	NM	NM	6.3	8.1	6	20	12	64	1.42
Daylin [4]	134.8	12	2.9	10	2.2	2.2	9.4	13.2	6	61	16	95	1.68
Dayton-Hudson [11]	444.9	21	19.3	10	4.3	4.8	6.8	9.0	10	NA	NA	424	1.74
Dillon [6]	157.8	57	2.7	54	1.7	1.8	17.5	23.9	17	21	14	165	1.89
Eckerd (Jack) [5]	**100.0	24	5.8	22	5.8	5.9	17.4	19.8	40	41	34	697	.84
Fed Mart [4]	61.9	20	1.0	21	1.6	1.6	7.8	14.3	6	13	14	27	2.31
Federated Dept. Stores [11]	914.7	16	52.0	13	5.7	5.8	12.7	13.9	18	11	7	2,440	2.46
Fisher Foods	180.1	36	2.0	16	1.1	1.3	10.5	20.0	9	20	26	104	1.37
Food Fare Stores [5]	505.6	5	2.7	−49	0.5	1.1	4.2	1.6	25	5	0	68	.39
Gamble-Skogmo [11]	377.9	8	11.0	12	2.9	2.8	6.9	7.9	7	13	8	164	4.09
Gimbel Bros. [11]	263.9	6	11.8	11	4.5	4.3	6.1	6.2	11	8	5	204	1.66
Gordon Jewelry [4]	50.0	20	4.9	20	9.8	9.8	10.3	12.3	10	22	22	118	1.40

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 1ST QUARTER 1973—Continued

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4-30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
RETAILING—Continued													
Department, discount, mail order, variety, food, specialty stores—Continued													
Grand Union [10]	$386.9	14	$3.3	−1	0.9	1.0	5.4	5.8	10	9	10	$96	$1.40
Grant (W.T.) [11]	544.6	21	35.7	15	6.6	6.9	12.0	11.7	8	11	16	622	2.70
Great Atlantic & Pac. Tea [10]	1,680.6	20	−1.3	NM	NM	NM	−7.6	−8.1	NM	3	−7	407	−2.06
Great Scott Supermarkets [3]	68.7	19	0.6	13	0.9	0.9	12.4	14.9	7	NA	NA	12	1.17
Hartfield-Zodys [11]	103.0	60	1.1	36	1.1	1.3	5.9	7.6	6	23	18	19	0.87
Jewel [11]	549.9	17	11.5	11	2.1	2.2	NA	12.8	11	11	8	400	3.84
Kresge (S.S.) [11]	1,306.5	29	50.6	27	3.9	3.9	16.1	19.4	37	10	27	5,361	1.00
Kroger	928.1	11	3.6	−64	0.4	1.2	4.8	4.7	15	7	3	298	1.25
Lerner Stores [11]	139.1	13	9.9	13	7.1	7.1	23.6	25.0	8	6	23	234	4.91
Lucky Stores [11]	552.7	13	10.7	10	1.9	2.0	15.5	23.7	12	21	28	495	0.97
Macy (R. H.) [11]	360.9	8	18.3	14	5.1	4.8	8.9	11.8	9	10	10	455	3.06
Marcor [11]	976.2	14	32.9	26	3.4	3.1	7.2	9.3	10	−1	12	784	2.17
Marshall Field [12]	160.5	5	11.2	15	7.0	6.4	9.7	10.8	12	7	7	330	2.34
May Department Stores [11]	502.5	15	27.4	15	5.4	5.5	7.7	10.9	10	6	2	756	3.13
McCrory [11]	460.9	51	13.8	10	3.0	4.1	9.5	23.9	5	−5	22	115	4.15
Mercantile Stores [11]	158.5	17	10.2	22	6.4	6.2	13.0	15.5	23	8	15	448	6.90
Munford	**40.4	19	0.2	16	0.6	0.6	8.5	15.5	7	8	1	29	1.21
New Process	31.0	−6	1.9	−13	6.0	6.5	28.0	31.3	14	15	26	215	0.72
Penn Fruit [4]	79.2	−9	−0.4	NM	NM	0.8	NM	−8.5	NM	4	15	10	−1.53
Penney (J.C.) [11]	1,791.9	14	69.6	22	3.9	3.6	15.8	16.9	28	11	9	5,096	2.86
Peoples Drug Stores	54.2	0	0.1	−64	0.1	0.4	3.4	3.4	14	3	−3	25	0.48
Pneumo Dynamics [1]	**74.4	17	0.3	−40	0.4	0.8	NM	−1.9	NM	6	−1	9	−0.27
Pueblo International [11]	132.5	10	−0.8	NM	NM	1.3	0.6	−1.6	NM	28	17	27	−0.15
Rapid-American [11]	794.0	−14	16.7	1	2.1	1.8	5.9	12.8	6	42	17	153	2.90
Revco (D.S.) [7]	77.0	13	3.1	10	4.1	4.2	22.5	25.9	24	42	18	235	1.64
Rite Aid [10]	64.6	39	3.4	44	5.3	5.2	19.4	24.6	38	NA	NA	473	0.91
Safeway Stores	1,468.9	11	18.0	0	1.2	1.4	13.6	15.4	9	8	7	1,112	3.55
Sav-On-Drugs	46.8	5	0.9	10	1.9	1.8	10.6	10.6	14	NA	NA	81	0.53
Sears, Roebuck [11]	3,209.7	10	242.0	12	7.5	7.4	14.4	14.5	25	10	9	18,051	3.93
Skaggs	84.2	13	0.7	NM	0.9	0.1	8.4	9.5	25	32	12	105	1.07
Southland	**303.0	10	2.9	15	0.9	0.9	8.4	12.2	14	33	19	489	1.31
Star Supermarkets	31.8	22	0.1	−26	0.4	0.7	6.4	8.3	6	3	4	6	1.31
Stop & Shop [11]	264.6	13	5.1	56	1.9	1.4	6.3	9.9	8	9	2	55	2.03
Supermarkets General [11]	351.8	29	3.5	−2	1.0	1.3	5.3	6.9	15	NA	NA	97	0.50
Tandy [9]	119.9	23	3.9	14	3.3	3.5	10.1	10.8	16	52	27	510	1.71
Thrifty Drug Stores [4]	120.0	9	3.8	5	3.1	3.2	9.8	12.7	9	11	5	109	0.95
Triangle-Pacific Forest	52.7	53	1.3	121	2.4	1.7	11.2	16.2	7	24	16	35	2.66
Vornado [11]	205.6	4	5.8	−1	2.8	3.0	6.9	8.1	6	27	15	100	1.82
Walgreen [3]	211.7	9	1.1	19	0.5	0.5	8.7	11.5	9	8	6	142	1.94
Weis Markets	63.3	14	2.5	1	3.9	4.4	17.0	17.0	11	16	15	120	1.61
Wickes [11]	211.7	23	2.7	110	1.3	0.8	9.7	12.0	9	22	3	223	2.02
Winn-Dixie Stores [6]	494.0	11	11.2	11	2.3	2.3	20.9	21.5	16	8	7	839	2.08
Zayre [11]	312.7	22	5.0	−13	1.6	2.3	7.4	11.9	4	34	22	130	2.15
Industry Composite	24,629.8	14	838.1	13	3.4	3.5	10.2	12.4	14	7		46,235	2.13
SAVINGS & LOAN													
First Charter Financial	**74.6	21	12.1	21	16.2	16.2	13.8	14.4	9	12	18	720	2.00
Great Western Financial	79.9	16	9.8	23	12.2	11.5	11.7	13.3	7	15	11	485	2.63
Imperial Corp. of America	48.2	21	5.8	23	12.0	11.7	13.1	13.5	6	15	11	286	1.65
Industry Composite	202.6	19	27.6	22	13.6	13.2	12.9	13.8	8	14	15	1,491	2.08
SERVICE INDUSTRIES													
Leasing, vending machines, wholesaling, real estate builders and developers, etc.													
Alpha Portland Industries	**32.3	26	0.7	18	2.2	2.3	5.9	7.9	7	0	−6	34	1.87
American District Telegraph	**33.8	9	2.3	7	6.9	7.1	10.7	11.4	27	6	6	285	1.80
American Medical Intl [4]	38.0	15	2.7	23	7.1	6.7	11.0	16.2	13	69	44	210	1.51
American Medicorp	55.2	12	3.4	11	6.2	6.2	5.6	7.5	5	NA	NA	116	1.04
Atalanta	*45.6	46	0.4	87	0.9	0.7	18.7	19.0	6	NA	NA	9	1.33
Automatic Data Processing [5]	26.4	27	2.2	55	8.3	6.8	18.5	19.0	50	73	66	522	1.34
Automation Industries	**54.4	17	1.2	27	2.2	2.1	7.0	7.9	7	49	7	66	0.61
Bergen Brunswig [4]	**59.5	1	0.4	NM	0.6	NM	NM	−5.8	NM	−18	7	20	−0.02
Berkey Photo	41.3	38	0.9	70	2.2	1.8	10.5	12.9	9	30	11	103	1.40
Castle (A.M.)	38.2	29	0.5	173	1.4	0.7	8.3	8.6	6	3	6	9	3.48
Commercial Metals [4]	63.0	23	0.9	200	1.4	0.6	13.2	12.4	6	15	6	20	2.20
Cramer Electronics [3]	29.8	35	0.4	NM	1.5	0.0	7.2	6.3	13	26	12	13	0.49
Di Giorgio	125.0	13	1.8	9	1.5	1.5	8.8	11.3	8	10	11	75	1.38
Dillingham	133.5	16	1.0	−24	0.7	1.1	4.8	4.6	14	21	10	129	0.53
Donnelley (R.R.) & Sons	83.0	7	5.1	26	6.1	5.2	10.2	11.4	15	8	6	400	1.43
Dravo	46.9	−9	0.5	85	1.1	0.5	7.4	8.0	9	7	0	61	3.03
Dun & Bradstreet	109.2	19	8.7	18	7.9	8.0	21.8	22.0	28	12	8	993	2.72
Electronic Data System [8]	**28.3	19	3.9	22	14.0	13.7	22.0	25.8	30	NA	111	645	1.21
Emery Air Freight	40.6	32	2.3	70	5.6	4.4	41.8	42.1	47	24	20	462	1.19
Fischbach & Moore [3]	87.2	15	1.7	15	2.0	2.0	15.0	19.2	17	18	12	185	2.65
Foremost-McKesson [5]	497.5	12	6.1	−10	1.2	1.5	8.0	16.0	7	0	−4	262	2.05
Genuine Parts	115.2	11	2.9	12	2.6	2.5	17.0	17.4	33	20	16	658	1.14
Grainger (W.W.)	51.7	27	3.1	55	6.0	4.9	18.8	21.4	30	25	17	482	1.06
Hospital Corp. of America	**53.6	29	3.4	21	6.3	6.8	7.0	12.9	13	NA	NA	330	1.19
Ipco Hospital Supply [8]	31.5	7	0.5	52	1.6	1.1	5.0	6.2	15	24	9	37	0.34
Jorgensen (Earle M.)	39.6	26	1.6	42	4.1	3.6	10.6	12.0	7	10	7	42	3.64
Kaufman & Broad [1]	69.2	25	5.2	41	7.5	6.7	13.6	15.9	19	47	28	707	1.32
Leaseway Transport	99.9	21	3.5	33	3.5	3.2	11.7	27.7	13	18	16	321	2.54
Malone & Hyde [6]	138.2	16	1.9	15	1.4	1.4	15.8	17.9	22	21	19	195	1.27
Manpower [9]	**32.1	16	1.0	79	3.1	2.0	15.2	16.9	13	20	9	49	1.93
McKee (Arthur G.)	64.3	16	0.5	79	0.7	0.5	9.3	8.5	11	−1	0	19	1.73
National Service Industries [4]	97.7	8	4.7	2	4.8	5.1	16.0	18.4	11	17	13	369	1.58
Nielsen (A.C.) [4]	36.2	14	3.0	17	8.2	8.0	18.2	18.2	35	18	12	363	1.05
Ogden	290.5	11	5.3	27	1.8	1.6	7.8	10.9	8	17	29	140	1.89
Parsons (Ralph M.)	34.8	−47	0.6	28	1.7	0.7	13.8	13.8	19	NA	NA	59	1.37
Retail Credit	**49.4	3	1.8	−16	3.7	4.5	18.3	19.6	10	8	5	90	2.75

Footnotes at end of table.

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
Ryan Homes	$35.9	24	$1.5	15	4.1	4.4	21.5	27.5	13	NA	NA	$179	$1.30
Rycer System	**111.6	37	3.8	46	3.4	3.2	7.9	14.4	23	18	27	543	1.37
Sav-A-Stop [4]	53.9	19	0.8	44	1.5	1.2	9.3	11.6	9	41	26	41	0.79
Scrivner-Boogaart [6]	52.3	29	0.4	12	0.8	0.9	10.7	13.1	7	16	12	9	1.14
Sperry & Hutchinson	**150.3	5	8.1	−1	5.4	5.7	15.9	18.6	6	12	7	293	3.65
Super Valu Stores [10]	295.2	6	2.2	−27	0.7	1.1	13.1	18.3	8	14	8	92	2.19
UMC Industries	40.6	24	1.9	7	4.7	5.4	13.1	14.1	7	5	10	96	1.91
VWR United [10]	75.0	19	0.6	NM	0.8	NM	6.8	6.9	10	3	−12	31	1.12
Warner Communications	144.3	19	14.6	18	10.1	10.2	11.3	20.1	10	42	21	698	2.29
Work Wear	37.4	18	1.3	17	3.4	3.5	7.3	13.0	6	16	8	34	1.66
Zapata [3]	57.7	5	4.8	27	8.4	6.9	6.6	13.5	7	47	30	160	3.34
Industry Composite	3,926.6	13	126.1	18	3.2	3.1	10.3	15.0	15	14	11	10,655	1.60
SPECIALTY MACHINERY													
Allis-Chalmers	278.9	22	4.5	49	1.6	1.3	4.7	2.4	11	1	−3	130	0.82
American Hoist & Derrick [1]	64.9	24	1.3	109	1.9	1.2	7.2	9.8	8	11	−2	52	1.51
Bucyrus-Erie	43.9	12	4.5	50	10.2	7.6	12.5	13.5	11	9	13	177	2.43
Caterpillar Tractor	751.8	21	60.6	41	8.1	6.9	16.9	19.9	16	11	7	3,792	3.93
Clark Equipment	264.3	27	14.3	51	5.4	4.6	13.6	14.4	13	14	7	729	3.37
Deere [3]	371.8	36	28.0	60	7.5	6.4	13.7	15.7	9	7	4	1,333	4.19
FMC	398.1	11	19.6	20	4.9	4.6	9.1	12.1	8	10	5	720	2.12
Koehring [1]	77.0	34	1.2	NM	1.6	NM	9.9	9.4	7	8	−8	59	2.02
Unarco	30.0	24	1.0	35	3.4	3.1	9.3	20.3	7	4	8	15	1.36
Industry Composite	2,280.8	22	135.0	45	5.9	5.0	12.4	14.8	10	9	5	7,007	3.14
STEEL													
Alan Wood Steel	32.5	7	0.6	281	1.8	0.5	4.6	4.2	8	4	−5	14	2.30
Allegheny Ludlum Industries	188.6	30	7.9	72	4.2	3.2	6.8	11.3	8	0	−2	135	3.15
Ampco-Pittsburgh	26.9	34	1.2	83	4.4	3.2	8.5	9.0	7	10	15	27	1.83
Armco Steel	531.9	20	24.1	60	4.5	3.4	6.2	7.4	9	4	−1	710	2.58
Bethlehem Steel	960.5	36	40.5	62	4.2	3.5	6.1	7.1	9	3	3	1,306	3.38
Carpenter Technology [6]	**58.8	37	4.6	83	7.7	5.8	10.5	12.1	8	7	1	101	3.00
Copperweld	56.8	33	2.8	38	4.9	4.7	12.2	16.1	6	4	7	73	4.30
Cyclops	122.3	36	3.1	NM	2.5	NM	7.2	8.8	5	5	−7	46	4.68
Harsco	92.9	13	4.2	24	4.5	4.2	10.9	12.5	8	12	5	166	2.15
Inland Steel	430.8	26	19.4	10	4.5	5.2	6.6	8.6	10	3	−1	603	3.59
Interlake	111.3	21	2.9	2	2.6	3.1	5.6	6.3	8	7	2	112	3.35
Jones & Laughlin Steel	365.9	39	12.0	40	3.3	3.3	5.7	6.2	8	3	−6	284	2.62
Kaiser Steel	134.1	87	2.6	NM	1.9	NM	NM	3.4	7	14	0	74	1.39
Keystone Consolidated Inds [6]	68.2	22	1.4	41	2.0	1.7	4.6	4.7	7	2	−20	39	2.23
Lukens Steel	38.7	13	1.1	−9	2.9	3.6	6.5	7.3	11	5	2	77	2.40
McLouth Steel	88.0	25	3.6	281	4.1	1.4	4.7	4.8	8	1	−15	79	2.01
National Standard [3]	47.6	27	1.7	110	3.7	2.2	5.9	7.2	23	10	0	148	1.10
National Steel	** 525.6	32	19.7	32	3.7	3.7	5.9	7.5	10	6	−1	753	4.07
Republic Steel	499.2	35	20.5	117	4.1	2.5	4.7	5.2	9	4	−14	419	3.35
U.S. Steel	** 1,520.0	35	49.0	157	3.2	1.7	4.7	5.1	9	2	−1	1,652	3.45
Wheeling-Pittsburgh Steel	178.8	33	2.6	−18	1.5	2.4	3.9	3.6	6	6	−5	74	2.65
Industry Composite	6,079.4	32	225.6	84	3.7	2.7	5.5	6.4	9	3	−2	6,891	3.10
TEXTILES AND APPAREL													
Avondale Mills [6]	39.8	16	1.7	24	4.2	2.5	9.7	10.1	10	7	8	69	3.80
Blue Bell [3]	104.3	17	4.7	1	4.5	5.3	12.7	13.6	8	19	14	223	2.56
Brown Group [2]	150.3	15	5.6	2	3.7	4.2	11.4	12.8	9	7	6	242	3.02
Burlington Industries [3]	514.7	15	20.1	68	3.9	2.7	6.6	8.1	13	9	2	985	2.32
Cluett, Peabody	125.8	0	2.6	−14	2.1	2.5	7.7	8.1	9	11	1	172	1.36
Colling & Aikman [6]	86.3	10	3.5	−17	4.0	5.3	12.2	15.0	9	14	12	193	1.35
Cone Mills	88.2	10	1.9	9	2.2	2.2	6.0	6.1	7	2	4	75	2.72
Dan River	99.9	19	1.8	179	1.8	0.8	4.6	3.7	11	2	−16	67	0.86
DHJ Industries [7]	34.8	21	0.9	2	2.7	3.2	8.4	3.8	19	NA	NA	23	0.57
Duplan [5]	38.5	14	0.9	98	2.5	1.4	5.1	5.0	10	11	12	35	0.82
Fieldcrest Mills	57.4	13	0.7	−36	1.2	2.1	7.5	8.4	9	12	3	94	2.00
Genesco [5]	378.6	1	4.9	−57	1.3	3.0	2.9	0.3	NM	8	−1	174	0.05
Graniteville	43.8	7	2.3	185	5.2	2.0	9.9	11.4	6	6	0	41	3.93
Hanes	66.2	20	2.1	18	3.2	3.2	8.4	9.6	7	6	9	77	2.02
Hart Schaffner & Marx [1]	118.3	10	4.1	17	3.5	3.3	8.1	9.8	11	17	9	246	1.68
Levi Strauss [1]	121.6	15	5.4	9	4.4	4.7	14.2	15.7	15	NA	NA	507	2.34
Lowenstein (M.) & Sons	138.8	15	2.6	20	1.9	1.8	5.1	5.8	8	6	13	74	2.53
Melville Shoe	138.4	5	2.7	−13	2.0	2.4	17.9	24.1	22	19	21	810	1.16
Oxford Industries [7]	48.4	12	1.9	50	3.9	2.9	12.8	17.0	7	15	4	52	3.01
Puritan Fashions [1]	38.1	35	1.4	35	3.7	3.7	14.8	25.9	4	12	6	37	1.82
Reeves Bros. [6]	52.4	16	2.4	117	4.7	2.5	8.4	11.0	6	8	14	46	4.38
Riegel Textile [3]	56.8	13	2.2	100	3.9	2.2	7.1	9.8	7	5	−3	51	2.53
Spring Mills	115.1	29	3.7	70	3.2	2.5	5.8	6.2	8	−1	3	126	1.83
Stevens (J. P.) [2]	247.9	24	6.1	86	2.5	1.6	4.7	5.0	10	5	−5	210	3.02
United Merchants & Mfrs. [6]	208.5	9	4.8	78	2.3	1.4	7.7	6.5	6	6	4	142	2.89
Warnaco	71.7	17	1.9	16	2.6	2.6	10.3	13.8	7	17	1	74	2.37
West Point-Pepperell Mfg. [4]	120.6	26	3.8	136	3.2	1.7	6.9	6.9	8	10	−4	144	2.87
Industry Composite	3,305.3	13	96.9	23	2.9	2.7	7.4	8.7	9	8	3	4,986	1.91
TIRE AND RUBBER													
Amerace	58.1	22	2.6	14	4.5	4.9	9.2	28.1	8	−8	4	59	2.78
American Biltrite Rubber	34.0	4	1.3	9	3.8	3.6	7.7	9.3	6	8	−3	37	1.77
Armstrong Rubber [5]	54.4	15	1.5	13	2.7	2.7	7.4	9.5	6	6	3	62	4.59
Carlisle	30.2	14	1.6	43	5.4	4.3	12.6	14.6	9	15	9	55	2.28
Cooper Tire & Rubber	35.4	20	1.0	47	2.9	2.4	8.8	14.2	7	11	−2	36	2.28
Firestone Tire & Rubber [2]	673.2	17	26.6	23	4.0	3.8	9.2	11.5	9	7	6	1,453	2.45
General Tire & Rubber [1]	303.4	41	13.1	53	4.3	4.0	10.4	13.8	6	10	4	554	3.45
Goodrich (B. F.)	405.8	17	13.4	52	3.3	2.5	7.5	8.4	7	4	0	410	3.61
Goodyear Tire & Rubber	1,069.4	16	45.3	17	4.2	4.2	10.3	12.9	9	9	9	2,300	2.73
Richardson	29.5	1	0.8	11	2.8	2.5	8.2	15.6	7	11	−13	25	1.88
Rubbermaid	29.6	26	2.2	23	7.3	7.5	15.6	18.0	34	14	13	315	2.39
Industry Composite	2,723.0	19	109.5	26	4.0	3.8	9.5	12.0	10	6	6	5,307	2.77

Footnotes at end of table.

SURVEY OF CORPORATE PERFORMANCE: 1ST QUARTER 1973—Continued

Company	Sales: 1st quarter 1973 (millions)	Sales: Change from 1972 (percent)	Profits: 1st quarter 1973 (millions)	Profits: Change from 1972 (percent)	Margins: 1st quarter 1973 (percent)	Margins: 1st quarter 1972 (percent)	Ratios: Return on invested capital 1972	Ratios: Return on common equity 1972	Ratios: Price earnings ratio 4–30	10-year growth: Common equity (percent)	10-year growth: Earnings per share (percent)	Market value shares O/S yearend (millions)	12-months earnings per share
TOBACCO													
Cigars, cigarettes													
American Brands	*$721.8	1	$29.9	4	4.1	4.0	9.5	13.9	9	5	6	$1,101	$4.57
General Cigar	***68.5	5	0.6	−19	0.9	1.2	8.6	6.5	8	7	5	43	2.06
Liggett & Myers	*169.1	−11	6.2	−25	3.6	4.3	7.4	8.3	13	1	3	317	3.25
Loews [4]	***180.3	−9	24.3	48	13.5	8.3	10.6	19.2	5	22	55	686	5.19
Philip Morris	*570.6	17	32.3	18	5.7	5.6	13.5	20.0	25	14	19	3,219	4.81
Reynolds (R. J.) Industries	*741.5	7	60.4	6	8.1	8.3	14.2	17.7	8	7	6	2,163	5.38
Industry Composite	2,451.8	5	153.8	11	6.3	5.9	11.6	16.3	11	8	9	7,529	4.85
TRUCKING													
Arkansas Best	28.2	19	1.1	−7	3.8	4.9	10.4	14.8	7	32	17	58	1.95
Consolidated Freightways	166.0	20	4.0	−20	2.4	3.6	12.7	19.2	8	14	17	268	1.89
McLean Trucking [5]	60.0	23	2.4	32	4.0	3.7	14.6	23.1	13	18	17	121	3.51
Roadway Express	98.0	22	5.9	11	6.0	6.6	26.1	26.7	25	18	16	541	1.23
Spector Industries	33.9	15	0.2	NM	0.6	NM	4.2	7.8	10	1	−17	8	0.58
T.I.M.E.-DC	43.6	17	1.2	69	2.7	1.8	6.7	10.9	9	24	−4	26	1.05
Transcon Lines	30.9	6	0.6	43	2.0	1.5	8.6	11.9	11	19	2	44	1.16
Yellow Freight Systems	74.1	24	4.4	37	5.9	5.3	17.1	27.7	19	27	19	322	2.44
Industry Composite	534.7	19	19.7	12	3.7	3.9	14.0	20.8	13	18	14	1,389	1.68
UTILITIES													
Telephone, electric, gas													
Allegheny Power System	98.0	11	17.7	4	18.1	19.3	7.5	13.4	9	9	6	607	2.36
American Electric Power	239.7	14	50.1	19	20.9	19.9	8.9	14.6	10	9	6	1,785	2.74
American Natural Gas	248.3	3	37.0	8	14.9	14.2	6.6	13.0	9	7	6	843	4.25
American Tel. & Telegraph [1]	5,511.4	13	678.4	20	12.3	11.6	6.9	9.5	12	5	4	29.208	4.48
Arizona Public Service	53.2	22	6.2	23	11.7	11.6	7.5	11.9	9	5	4	252	2.35
Baltimore Gas & Electric	127.8	9	23.8	9	18.6	18.6	7.3	11.7	10	10	7	686	2.84
Boston Edison	78.4	10	5.9	−33	7.6	12.4	6.6	10.2	11	4	7	323	3.07
Brooklyn Union Gas	63.2	1	8.2	−8	12.9	14.2	6.9	9.7	10	3	1	127	2.22
Carolina Power & Light	86.3	21	19.6	36	22.7	20.2	7.8	14.4	8	11	5	599	2.96
Central & South West	102.5	13	13.6	5	13.3	14.2	7.5	15.6	14	6	7	1,140	3.26
Central Telephone & Utilities	76.8	13	9.3	10	12.1	12.5	6.7	15.6	13	19	7	443	1.73
Cincinnati Gas & Electric	102.6	6	20.0	22	19.5	17.0	8.0	15.3	10	7	6	429	2.46
Cleveland Electric Illuminating	82.2	11	13.0	5	15.8	16.7	8.2	14.1	11	4	7	494	3.20
Columbia Gas System	342.0	−2	47.1	4	13.8	12.9	7.6	12.4	9	5	7	1,001	3.22
Commonwealth Edison	304.5	8	45.9	6	15.1	15.3	6.4	13.3	10	4	3	1,749	3.14
Consolidated Edison of NY	425.1	15	50.0	10	11.8	12.3	5.9	6.7	12	6	0	1,376	2.08
Consumers Power	252.4	11	31.4	22	12.4	11.3	5.7	10.3	10	6	4	761	2.83
Continental Telephone	134.7	24	13.9	29	10.3	9.9	7.5	16.6	13	44	14	829	1.69
Dayton Power & Light	69.5	3	10.2	1	14.6	14.8	7.5	11.5	11	7	5	274	2.10
Detroit Edison	187.7	12	27.4	20	14.6	13.6	6.2	10.7	10	6	2	820	2.12
El Paso Natural Gas	286.1	2	19.0	1	6.6	6.7	6.3	11.8	8	7	6	573	1.98
Florida Power & Light	147.9	26	22.4	26	15.1	15.1	7.7	13.4	14	10	8	1,291	2.78
Florida Power	55.5	26	9.2	27	16.5	16.4	7.1	14.1	10	8	9	547	3.68
General Public Utilities	166.5	14	30.9	36	18.6	15.6	7.1	10.8	9	8	2	846	2.31
General Tel. & Electronics	1,141.6	13	76.9	22	6.7	6.3	6.8	13.2	10	11	7	3,462	2.68
Gulf States Utilities	59.3	19	8.1	26	13.7	13.0	6.4	13.0	12	9	8	549	1.63
Houston Lighting & Power	80.8	14	9.8	−3	12.1	14.2	7.7	14.9	14	8	8	1,035	3.00
Illinois Power	86.7	7	16.7	17	19.3	17.7	6.5	12.5	12	8	4	548	2.44
Lone Star Gas	108.1	20	21.9	8	20.2	22.4	8.7	15.2	12	4	7	580	2.63
Long Island Lighting	112.2	7	17.8	3	15.8	16.4	7.7	12.4	10	6	6	526	2.17
Middle South Utilities	147.2	18	20.8	33	14.1	12.5	6.6	14.8	10	9	9	1,077	2.09
Mountain States Tel. & Tel. [1]	246.3	18	33.6	36	13.6	11.9	7.7	10.4	10	6	5	1,310	2.21
National Fuel Gas	84.0	−9	9.6	−19	11.5	12.9	†7.4	†10.0	8	3	1	142	3.30
New England Tel. & Tel. [1]	279.3	17	25.9	26	9.3	8.6	6.4	8.6	13	6	0	1,542	2.68
New England Electric System	124.1	12	15.4	5	12.4	13.3	6.6	12.1	9	4	5	419	2.59
New England Gas & Electric	51.0	10	3.7	34	7.3	6.0	5.8	11.6	9	7	5	101	1.80
New York State Elec. & Gas	73.3	10	10.3	9	14.0	14.2	7.0	10.9	10	5	2	262	3.06
Niagara Mohawk Power	196.1	7	32.0	8	16.3	16.2	6.7	10.9	9	6	2	599	1.86
Northeast Utilities	142.6	13	22.0	−1	15.4	17.6	8.7	12.5	10	33	5	740	1.52
Northern Illinois Gas	171.1	9	23.7	7	13.9	14.2	7.2	15.1	9	5	5	352	3.03
Northern Indiana Public Serv	116.8	8	14.4	8	12.3	12.3	7.4	15.1	10	8	8	492	2.25
Northern States Power	128.1	6	19.6	6	15.3	15.2	6.6	13.5	10	8	5	638	2.75
Ohio Edison	94.6	10	14.9	9	15.7	15.8	7.1	13.8	11	4	4	594	1.93
Oklahoma Natural Gas [4]	51.3	20	9.7	16	18.8	19.5	8.4	13.1	10	6	4	165	2.07
Pacific Gas & Electric	388.5	7	65.0	8	61.7	16.5	6.9	11.8	9	6	6	1,993	3.07
Pacific Northwest Bell Tel.	136.3	11	13.4	8	9.8	10.1	6.8	8.6	11	6	2	675	1.37
Pacific Power & Light	61.7	18	15.4	16	25.0	25.3	7.3	13.6	11	5	4	473	2.19
Pacific Tel. & Tel. [1]	634.0	14	62.2	43	9.8	7.9	5.6	7.3	12	5	1	2,761	1.39
Panhandle Eastern Pipe Line	137.6	4	20.3	13	14.8	13.6	8.5	18.4	9	11	5	652	3.94
Pennsylvania Power & Light	100.2	12	15.9	12	15.9	15.8	7.1	11.5	9	9	3	481	2.47
Peoples Gas [3]	223.4	1	30.2	−3	13.5	14.0	7.8	14.6	8	6	7	608	4.27
Philadelphia Electric	194.6	9	33.6	9	17.3	17.2	6.7	10.3	11	8	2	1,018	2.06
Potomac Electric Power	68.3	17	11.7	8	17.1	18.5	6.7	10.3	10	6	3	390	1.53
Public Service of Colorado	90.2	18	13.7	24	15.1	14.3	6.7	13.0	9	6	5	368	2.15
Public Service of Indiana	62.4	19	12.3	50	19.6	15.5	7.1	14.9	12	4	6	513	3.36
Public Service Electric & Gas	287.5	8	38.6	21	13.4	11.9	7.5	9.9	10	8	4	1,042	2.42
Rochester Gas & Electric	64.9	12	8.7	42	13.5	10.6	7.7	11.5	9	6	5	186	2.40
San Diego Gas & Electric	63.0	16	9.4	26	15.0	13.7	8.0	11.2	9	6	7	233	1.99
South Carolina Electric & Gas	50.6	13	7.3	2	14.3	15.9	7.0	11.2	11	10	5	291	1.92
Southern California Edison	247.5	10	28.6	9	11.5	11.7	6.2	9.6	9	9	4	1,207	2.57
Southern	263.0	21	41.3	27	15.7	14.9	6.0	10.8	10	10	5	1,424	1.94
Texas Eastern Transmission	215.2	3	27.3	16	12.7	11.3	8.0	15.5	16	14	11	1,394	3.33
Texas Gas Transmission	148.5	14	10.1	43	6.8	5.4	7.7	14.1	9	14	3	314	3.53
Texas Utilities	130.9	22	22.1	28	16.9	16.1	8.2	15.4	15	8	6	1,819	2.00
Union Electric	93.4	9	12.6	12	13.5	13.1	7.1	9.3	13	9	3	559	1.33
United Telecommunications	173.7	18	15.8	11	9.1	9.7	6.3	27.5	12	10	5	763	1.54
Virginia Electric & Power	132.8	20	27.4	24	20.6	19.9	8.2	12.0	9	12	6	1,022	2.10
Western Union	**114.9	1	5.8	−39	5.1	8.4	4.7	6.2	10	6	0	623	2.41
Industry Composite	16,819.6	12	2,165.3	16	12.9	12.4	6.8	10.8	11	6	4	82,943	2.80

FOOTNOTES

[1] 1st quarter ending Feb. 28.
[2] 1st quarter ending Jan. 31.
[3] 2d quarter ending Mar. 31.
[4] 2d quarter ending Feb. 28.
[5] 2d quarter ending Jan. 31.
[6] 3d quarter ending Mar. 31.
[7] 3d quarter ending Feb. 28.
[8] 3d quarter ending Jan. 31.
[9] 4th quarter ending Mar. 31.
[10] 4th quarter ending Feb. 28.
[11] 4th quarter ending Jan. 31.
*Sales include excise taxes.
**Sales include other income.
***Sales include excise taxes and other income.
†Figures are for 1971.
NA, not available.
NM, not meaningful.

Data: Investors Management Sciences.

Glossary: Sales—Includes all sales and other operating revenues. For banks, includes all operating revenues. Profits—Net income before extraordinary items. For banks, profits are before security gains or losses. Margins—Net income before extraordinary items as percent of sales. Return on invested capital—Ratio of net available for common stockholders—adjusted for preferred dividend requirements, minority interest, fixed charges—to total funds invested in company. Return on common equity—Ratio of net available for common stockholders to common equity, which includes common stock, capital surplus, retained earnings. Price-earnings ratio—Based on Apr. 30 stock price and earnings for latest 12 months. Growth in common equity—Annual percentage growth in common equity for latest 10-year period. Growth in earnings per share—Annual percentage growth in earnings per share, including all common stock equivalents, for latest 10-year period. Market value—Shares outstanding times stock price on Dec. 31, 1972. Earnings per share—For latest 12 months, includes all common stock equivalents.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

HEALTH MAINTENANCE ORGANIZATION AND RESOURCES DEVELOPMENT ACT OF 1973

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume the consideration of the unfinished business, S. 14, which the clerk will now read by title.

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

A bill (S. 14) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes.

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be resumed for a period not to exceed 3 minutes.

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

THE AGRICULTURAL FUEL CRISIS

Mr. CURTIS. Mr. President, it is impossible for one to overstate the fuel crisis facing agriculture particularly in Nebraska and surrounding States. Unless effective action is taken by the Government forthwith, great damage will be done to our entire economy. Food will be in short supply and many farmers will face financial ruin.

Mr. President, when gasoline or diesel fuel is needed to run a tractor to prepare the ground for seeding, that activity cannot be delayed. Likewise when fuel is needed for planting, it is the law of nature that determines when the planting must be done. Where farming is dependent upon irrigation which requires fuel for the pumps, the water must be applied almost on the day required. Apparently official Washington is unaware of these facts.

For many weeks we have been calling to the attention of the executive branch this dire situation. On May 8, Senators from eight States and those from the executive branch who are responsible for the rationing and allocation of diesel fuel, gasoline, natural gas, and LP gas participated in a meeting. At that meeting these shortages were pointed out. Specific cases were presented. Attention was called to the fact that an allocation of these fuel supplies equal to last year's allocation would not be sufficient. The Government has put forth a program of increased production. Additional millions of acres are to be planted this year. Evidence was also submitted showing that some fuel dealers have had their supplies cut off totally. Ample facts were presented at the May 8 meeting to illustrate what needed to be done.

Mr. President, nothing has happened on the local level to ease the shortage or to supply fuel for farmers who need it now. We are not interested in shuffling of papers in Washington. We want fuel in the farmers' machines.

I can cite a couple of communications from my State which illustrate the situation. On Friday, May 11, we received a communication from petroleum dealer in a small city in central Nebraska. He has been in business for years. He serves about 100 farmers supplying them with the necessary fuel for their farming operations. This dealer's tanks are dry. No one will sell him the product he needs. His farmer customers are facing the planting season with nowhere to turn for the necessary tractor fuel.

On Saturday, a communication was received from a farmer in northern Nebraska. He had already started his farming operations. He had planted a sizable field of alfalfa which he was irrigating and needed to continue with that irrigating process. He had enough fuel to last him for 20 hours. At the end of that 20 hours he will face a desperate situation. His dealer has notified him that he cannot supply him.

Mr. President, those in charge of this program should, without further delay, use the powers they have to put tractor fuel and irrigation pumping fuel into the hands of the farmers who need it. The first objective in meeting the emergency should be to fill all the fuel tanks on all the farms. Nature will not wait. If there is hesitation to do this, the President should delegate the entire responsibility to Secretary of Agriculture Earl Butz. I am sure the Department of Agriculture fully realizes that one has to plant before he harvests and that he has to harvest before food is available and the timing for the whole process is not optional but must conform with the seasons, the weather and all the laws of nature.

Mr. President, I ask unanimous consent that a telegram that I sent Mr. William Simon, Deputy Secretary, U.S. Treasury Department, Washington, D.C., on May 12, and a copy of the telegram that I sent to 15 major oil companies also on May 12 be printed in the RECORD.

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

MR. WILLIAM SIMON,
Deputy Secretary, U.S. Treasury Department, Washington, D.C.:

There is no indication that your voluntary fuel allocation plan will work in time for soil preparation, planting, and irrigating in farm areas. Newly planted alfalfa is being irrigated in Nebraska now. Some farmers are entirely out of fuel and some have only a few hours' supply. Do you expect to implement a plan that actually meets this need at the grass roots?

CARL T. CURTIS,
U.S. Senator, Nebraska.

PRESIDENT OR CHIEF EXECUTIVE OFFICER OF THE FOLLOWING OIL COMPANIES DOING BUSINESS IN NEBRASKA: MOBIL, SHELL, SUN, STANDARD, TEXACO, CHEVRON, PHILLIPS, KERR-MCGEE, CONOCO, GULF, CITIES SERVICE, HUSKY, ARCO, HUMBLE, FINK:

Federal administrative officials in Washington have put forth a voluntary plan of fuel allocation designed to give first priority to agricultural needs. Many farmers in Nebraska are either without fuel or have but a few hours' supply available for ground preparation, planting, and irrigating. Irrigation of newly planted alfalfa has already started. The need is immediate. Will your distributors be able to supply them right away, possibly by creating a system of set-asides to assure that needs of agriculture will be met? Can you advise me whether the Federal allocation program is being implemented at your distribution level? Or do you recommend mandatory allocations and rationing? Please reply as early Monday as possible.

CARL T. CURTIS,
U.S. Senator, Nebraska.

ORDER OF BUSINESS

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Kentucky (Mr. COOK) be recognized at this time to speak out of order, and that he be recognized for not to exceed 15 minutes.

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

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

THE LACK OF SUPPORT FOR COAL PROGRAMS

Mr. COOK. Mr. President, I am delighted to see my colleague from the Commonwealth of Kentucky (Mr. HUDDLESTON) occupying the chair, because I know that he shares many of the views in the remarks I am about to make; and I am delighted to have their senior Senator from West Virginia here, whose interest relative to the subject of my comments is well known.

Mr. President, when the average citizen of the Nation flicks a light switch and the lights go on he accepts this electricity as an ideal primary source of energy which enhances his standard of living. If you were to try to convince this individual that this clean ideal electric energy is secondary in nature and much of it is produced by coal, he would be very surprised and equally apprehensive. To the average American, coal is symbolized by the coal bucket, a shovel, and an open fireplace. In his mind, when they disappeared from the American scene, the importance of coal as it affected his daily living habits also disappeared. This lack of understanding of our dependence on coal to reach and maintain our present standard of living has compounded drastically the energy problems which face the Nation today. What is even more unfortunate for these same people is the complete lack of understanding that many of their elected officials seem to have for the problems which underlie this crisis and the solutions which are being proposed to solve these problems.

On April 18 of this year, President Nixon delivered his long-awaited energy message to the Congress. As I stated on that day, I reviewed this message with mixed emotions. What pleased me most was the President's urging that coal be permitted to assume and maintain its rightful place as the leading domestic fossil fuel for energy production. However, he failed to request the additional funds required for an effective research and development program to enable coal to meet this challenge.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. COOK. I yield.

Mr. RANDOLPH. I hesitate to interrupt the remarks or risk straining the patience of my colleague from Kentucky, who is thoroughly knowledgeable in the subject area which he is discussing. Mr. President, I underscore what the Senator from Kentucky has just said about coal being an abundant fuel, and being, in a sense, a savior in the tragic energy situation which faces our country.

We have coal, and we have enough for 50 to 100 years—possibly for 150 years—to be used not only now and in the coming 10 or 15 years as the energy crisis deepens, but to prepare our energy supplies better to meet the energy needs of this Nation, rather than have us rely upon the uncertain supplies of oil as they come from North Africa and the Arab countries. I have said time and again that we must make the United States of America more energy self-sufficient.

We can and we must make coal a clean-burning fuel through applied technology, and, through technology again, make from coal the energy products we need, namely, clean-burning gas and synthetic oil through coal liquefaction processes.

American coal and its derivatives are far better answers than reliance on foreign oil over the long-term. We cannot afford to buy the backbone of our national defense abroad.

I commend the Kentuckians who represent in this body a very important area in the production of coal, and I think it is incumbent upon all of us who share their concern that we get about the business of using coal. Coal research and development programs have been at a minimum, rather than at the maximum which this country—government and private capital—should have been and should today be investing in to find and adequately develop more energy supplies.

I again congratulate my colleague, and I share his concerns and join in his recommendations. We do need more research into surface mining, as our colleague says.

Furthermore, we have been running coal out of the markets too fast and too much in the name of environmental concerns and for other reasons. We are investing too little too slowly in finding ways to make the coal burning process cleaner and to gasify and liquefy coal to augment our dwindling energy supplies.

Mr. COOK. I thank the Senator from West Virginia. Obviously, all of us are deeply concerned, including the distinguished junior Senator from West Virginia (Mr. ROBERT C. BYRD), who is here, my colleague from Kentucky (Mr. HUDDLESTON), and the distinguished senior Senator from West Virginia, who has worked on this matter at great length ever since the day I arrived here, I know; so I thank him very much.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for his generous remarks with respect to myself.

Mr. COOK. Mr. President, as a Nation, I believe that we are aware of the existence of an energy crisis. I think it is fair to say that in the past few months there has been an increased recognization of the importance of coal in providing a solution to this energy demand. In scientific periodicals, magazines, and newspapers one can find almost daily mention of coal as the "new hope." The Department of the Interior in its reports and distinguished statesmen and industrialists in testimonies before our committees tell us that coal can do the job. I would hasten to add that coal can do the job provided that it gets the help it needs from the Congress and the administration.

There are many problems both in production and consumption which must be solved before coal can do its job. Let us talk a few minutes about the production of coal by both underground and surface mining methods. It is obvious that without adequate production the problems of consumption become academic.

The production of coal by underground methods is governed by the Coal Mine Health and Safety Act of 1969. I have for some time been concerned over the implementation of this act. On June 19, 1972, and again on April 10, 1973, I requested that hearings be scheduled at the earliest practical date. My first request was denied and as of this date I have not received a reply to my letter of April 10 to the chairman of the Labor Committee of the Senate.

Mr. President, there is a direct correlation between the underground production of coal and these hearings, and I again urge that they be held at the earliest practical date.

Concerning the surface mining of coal I have again just recently overflown the coal fields of eastern and western Kentucky by helicopter and again am much distressed by the devastation of the landscape caused by uncontrolled and unregulated surface mining.

I submit that although we hear a great deal about the impact on the environment caused by surface mining areas having steep slopes, some of the greatest damage was done in relatively flat areas of my State where the slope was 5° or less.

I take the position that to ban the surface mining of coal on a particular piece of land because that land meets some textbook criteria concerning slope is absolutely wrong. I believe that we must prohibit the surface mining of coal in any area—flat land, moderate slope or steep slope—if that particular piece of land cannot be reclaimed. The key then is reclamation. We must insist upon adequate reclamation, and we must require the States to enforce this regulation. If the States cannot, will not, or prefer not to protect the land, then the Federal Government must take this responsibility.

Mr. President, on Wednesday of this week I submitted a statement to the Subcommittee of the Department of the Interior Committee of Appropriations and I ask unanimous consent that a copy of that statement be printed in the RECORD.

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

STATEMENT BY SENATOR MARLOW W. COOK

Mr. Chairman, I again appear before this committee as did I last year and encourage you to provide the additional funds needed to permit the expansion of the research and demonstration program at Berea, Kentucky. This program is vital if we are to improve technology for the reclamation of surface-mined land. I also hope that this will be the year that we finally begin the construction of the office-laboratory facilities to house these activities. Again this year, as in last year, the required funds do not appear in the FY '74 budget. I cannot understand how we can continue this negative approach to this

most necessary research and demonstration program. Last year, as you recall, as a partial answer to my request, you recommended and the Congress approved an addition of one hundred fifty thousand dollars to the operating budget of the Forest Service for research on reclamation on surface-mined lands at Berea. Although woefully insufficient this action was most appreciated. Unfortunately, this sum was impounded and, of course, the much needed expansion of research technology did not materialize. In spite of this disappointment, the program at Berea has continued to move ahead. However, the pace is unacceptably slow.

During the past year it has become even more evident that we are faced with a shortage of energy in this Nation. With this most uncomfortable fact comes the satisfying reassurance that there is a solution which can provide this much needed energy. I refer of course to our coal resources. Coal is the backbone of the fuel inventory and even the most pessimistic reports reveal that it comprises over seventy percent of the total estimated ultimate recoverable fossil fuel resource. We are indeed fortunate to have this abundant domestic natural resource. However, if we do not act wisely we may deny the people of this Nation the use of this valuable energy fuel. There are related problems which deal with both the production and consumption of coal. However, today I will limit my remarks to those concerning production only.

Considerably more than half of the coal produced today is surface mined. I have just recently again flown over the surface mining areas of Kentucky and have been distressed at the undesirable side effects which this surface mining leaves in its wake. It is evident that if we are to continue to surface mine, and I am convinced that some such operations must continue, then it is imperative that we reclaim this land to a usable purpose.

Last year the Congress considered over a dozen surface mining bills. Again this year we have seen at least this number of bills addressed to the subject of surface mining. All bills which accept that surface mining of coal must continue also recognize that the land so mined must be reclaimed. There is no question that there is a certain percentage of land which cannot be reclaimed adequately and therefore should not be surface mined. However, where land can be reclaimed to useful purpose, carefully regulated surface mining should be permitted. There is a direct correlation between the number of acres which can be surface mined under these restrictions and the "state of the art" of reclamation technology. The solution to our problem will be found in realistic and improved reclamation technology applied in effective programs. This technology will not be realized until we have conducted adequate research and demonstration programs in mining operations and reclamation.

I believe that we here in the Congress have a responsibility to take the lead in providing for research to develop this new technology. While we are presented with an excellent program to accomplish this task we again find that inadequate funds are being made available to meet the real requirement.

By way of a very brief review let's consider the forestry program at Berea, because here we find the only sustained federal research program of its kind in the nation. Eleven years ago a small research program for the reclamation of surface mine land was initiated by the U.S. Forest Service at Berea, Kentucky. The program was designed to develop methods of reducing or preventing damage to the environment and forest resources during surface mining operations and to restore these values as quickly as possible after mining has ceased.

From its inception Berea has been a "shoe string" operation. There are only nine professional personnel including a hydrologist, soil chemist, civil engineer, range scientist ecologist, botanist, silviculturist and two forest rangers, and this tremendous staff is magnificently housed in a renovated automobile shop, a greenhouse, a basement room of the college and two bays of a garage. Let me repeat, gentlemen, that this is the only sustained federal research program concerned with reclamation or surface mined land. It is incredible that such responsibility rests on so few, and it should be no surprise that our reclamation technology so lags our surface mining requirements.

In 1967 forty thousand dollars was appropriated by Congress to develop detailed plans for a new office-laboratory building designed to accommodate the larger and more intensive research and demonstration programs planned for Berea. This facility would include the most modern types of equipment housed in laboratories with adequate space to permit professional staffs of sufficient size to pursue research projects and conduct demonstrations in this most vital area.

Architectural plans for the building have been completed and the Forest Service has testified that a contract can be let for contruction as soon as funds in the amount of $1,431,000 are appropriated. For six years now this plan has remained unfunded.

Even more important than the building itself are the research programs which must be pursued. We are pleased with the excellent progress that has been made in the current research programs at Berea. The results of this research have been used in Kentucky, West Virginia, Tennessee, and Maryland in forming their reclamation laws and regulations. Scalping requirements, access roads, and bench width limitations have been adopted. Estimates of sediment production from mining are being used by several States to determine the size of impoundments needed to trap silt.

Water quality standards for surface mined areas have been developed in cooperation with State and other Federal agencies. Revegetation techniques have been adopted by all eastern States where surface mining has occurred during the past years. The research staff has consulted with or appeared at hearings in ten different States, including States as far west as Washington.

Of particular interest to me is the fact that in the past year some 30 mining companies requested and received assistance on reclamation problems and put many of the findings into practice. Typical of the letters I have received is one from a subsidiary of Bethlehem Steel Corporation, and I quote:

"We paid a visit to the forest station located at Berea, Kentucky, and the results were more than I expected. We are now working with them on a cooperative project."

These accomplishments show that forest service research has found ways to improve surface mine reclamation and that results of this research are being used throughout the Nation.

However, as diligent and productive as these efforts have been, the results are very small indeed when compared to the magnitude of the problem. The most difficult and important research still lies ahead. The most urgent problems are in two general areas. First, in improving reclamation engineering practices to better protect the environment and in creating stable conditions for rapid restoration of disturbed areas following the mining operation. Second, water pollution control methods must be developed under realistic mining conditions on large experimental watersheds where all phases of mining and reclamation operations can be monitored, studied and controlled.

Mr. Chairman, the President in his energy message and many of the energy bills now being considered by the Congress all look to the gasification, liquification and desulphurization of coal as being vital to the solution of our energy problems. These programs carry a price tag of billions of dollars. I am in complete agreement. However, I hasten to add that before these goals can reach fruition the coal itself must be mined and made available.

I repeat that more than half of our coal is now provided by surface mining methods. In the interest of insuring that the technology for the reduction and/or elimination of the undesirable effects of surface mining throughout the nation be made available to Federal, State, and private agencies, I urge that the operating budget of the forest service be increased by the comparatively small amount of $875,000 to permit the implementation of the planned expansion of the research program at Berea, Kentucky.

I also urge that the funds in the amount of $1,431,000 be added to the Forest Service budget for the construction of the office-laboratory building which has been designed, with funds appropriated by Congress, to accommodate the larger and more intensive research programs. When we recognize that the decision to recover or abandon millions of tons of coal will be made on the basis of reclamation techniques and programs, the benefits of this program will far exceed these minimal costs.

In conclusion, Mr. Chairman, I have here a letter from the President of Berea College, Dr. Willis D. Weatherford, in which he restates the capability and willingness of Berea to carry on this important work and urges that the necessary funds be made available so that it can move ahead.

I request that this letter be included in the record of the hearings.

BEREA COLLEGE,
Berea, Ky., February 18, 1973.

HON. MARLOW W. COOK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR COOK: I am writing to you in support of increased funding for the United States Forest Service's surface mine reclamation research project and a new laboratory here in Berea.

As you know, Berea College is deeply concerned with the people and the economic development of Appalachia. Strip mining has a great impact on the people and economy in the mountains of eastern Kentucky. Unless the strip-mined areas are successfully reclaimed, the economic well-being of the people and future development of forest resources will be seriously impaired.

The Berea project has produced many sound results which are used as guidelines for the Kentucky Division of Reclamation and for the surface-mining industry. But a much greater effort is needed to catch up and close the gap.

I want to add my support to the recommendation for an increase of $875,000 in appropriations for the Forest Service reclamation research program at Berea. I would also like to see funds appropriated for the $1,431,000 Forest Sciences Laboratory proposed for Berea. The new building will be located on an 18-acre site under long-term lease to the Forest Service by Berea College. Architectural plans are complete and the Forest Service can contract for its construction as soon as funds are appropriated. While this building is needed for their research program, I feel that early completion will also bring about a greater sharing of facilities and interchange of ideas among personnel of the Forest Service and Berea College.

I hope that you and the other members of Congress will be able to help us this year.

If you wish to have this letter included in the record of the Appropriations Subcommtitee hearings for the Forest Service, I will be glad to have you do it.

Yours sincerely,

WILLIS D. WEATHERFORD.

Mr. COOK. Mr. President, I urged this subcommittee to provide the additional funds needed to permit the expansion of the reclamation research and demonstration program at Berea, Ky. This program is vital if we are to improve technology for the reclamation of surface mined land. I also hope that this will be the year that we finally begin the construction of the office-laboratory facilities to house these activities. Again this year, as in last year, the required funds do not appear in the fiscal year 1974 budget. I cannot understand how we can continue this negative approach to this most necessary research and demonstration program.

Either the administration does not or prefers not to understand the importance of reclamation in the whole scheme of coal production. We had the same problem last year and the year before that in that the administration did not include sufficient funds for this research and development reclamation program. I will say that the Congress accepted its responsibility and as a partial answer to my request, $150,000 was added last year to the operating budget of the Forest Service for this much needed research.

Unfortunately this sum was impounded and the much needed expansion of research and technology did not materialize. I interpret this impoundment as a complete lack of understanding by the administration of the reclamation problem. In spite of this disappointment, the program at Berea has continued to move ahead. However, the pace is unacceptably slow.

During the past year, it has become even more evident that we are faced with a shortage of energy in this Nation. With this most uncomfortable fact comes the satisfying reassurance that there is a solution which can provide this much needed energy. As I have stated, this solution lies in the intelligent use of our coal resources.

Coal is the backbone of the fuel inventory and even the most pessimistic reports reveal that it comprises over 70 percent of the total estimated ultimate recoverable fossil fuel resource. We are indeed fortunate to have this abundant domestic natural resource. However, if we do not act wisely we may deny the people of this Nation the use of this valuable energy fuel.

Last year the Congress considered over a dozen surface mining bills. Again this year we have sent at least this number of bills addressed to the subject of surface mining. All bills which accept that surface mining of coal must continue also recognize that the land so mined must be reclaimed. There is no question that there is a certain percentage of land which cannot be reclaimed adequately and therefore should not be surface mined.

However, where land can be reclaimed to useful purpose, carefully regulated surface mining should be permitted. There is a direct correlation between the number of acres which can be surface mined under these restrictions and the "state of the art" of reclamation technology. The solution to our problem will be found in realistic and improved reclamation technology applied in effective programs. This technology will not be realized until we have conducted adequate research and demonstration programs in mining operations and reclamation.

The Executive and the Congress are charged with the responsibility of protecting our land from wanton destruction. I believe that we have an equal responsibility to take the lead in providing for research to find ways to produce our coal within the restrictions we impose. While we are presented with an excellent program to accomplish this task we again find that the administration has not requested the funds to meet the real requirement. The ball is in our court by default and I believe that we must accept our responsibility.

I think it is necessary that we review the forestry program at Berea, because here we find the only sustained Federal research program of its kind in the Nation. Eleven years ago a small research program for the reclamation of surface-mine land was initiated by the U.S. Forest Service at Berea, Ky. The program was designed to develop methods of reducing or preventing damage to the environment and forest resources during surface-mining operations and to restore these values as quickly as possible after mining has ceased. From its inception Berea has been a "shoestring" operation. There are only nine professional personnel including a hydrologist, soil chemist, civil engineer, range scientist, ecologist, botanist, silviculturist and two forest rangers, and this tremendous staff is magnificently housed in a renovated automobile shop, a greenhouse, a basement room of the college and two bays of a garage. Let me repeat, that this is the only sustained Federal research program concerned with reclamation or surface-mined land in the entire Nation. It is incredible that such responsibility rests on so few, and it should be no surprise that our reclamation technology so lags our surface-mining requirements. What is even more incredible is that we hold so much promise for the use of our coal and fail so miserably to provide the research necessary to mine this coal.

In 1967, $40,000 was appropriated by Congress to develop detailed plans for a new office-laboratory building designed to accommodate the larger and more intensive research and demonstration programs planned for Berea. This facility would include the most modern types of equipment housed in laboratories with adequate space to permit professional staffs of sufficient size to pursue research projects and conduct demonstrations in this most vital area.

Architectural plans for the building have been completed and the Forest Service has testified that a contract can be let for construction as soon as funds in the amount of $1,431,000 are appropriated. For 6 years now this plan has remained unfunded. Had we taken the necessary action 5 years ago or even as late as last year we might be much better equipped to address the entire problem of surface mining we face today and thereby address the entire energy problem.

Even more important than the building itself are the research programs which must be pursued. We are pleased with the excellent progress that has been made in the current research programs at Berea. The results of this research have been used in Kentucky, West Virginia, Tennessee, and Maryland in forming their reclamation laws and regulations. Scalping requirements, access roads, and bench width limitations have been adopted. Estimates of sediment production from mining are being used by several States to determine the size of impoundments needed to trap silt. Water quality standards for surface mined areas have been developed in cooperation with State and other Federal agencies, revegetation techniques have been adopted by all eastern States where surface mining has occurred during the past years. The research staff has consulted with or appeared at hearings in 10 different States, including States as far west as Washington. Of particular interest to me is the fact that in the past year some 30 mining companies requested and received assistance on reclamation problems and put many of the findings into practice. Typical of the letters I have received is one from a subsidiary of Bethlehem Steel Corp.:

> We paid a visit to the forest station located at Berea, Kentucky, and the results were more than expected. We are now working with them on a cooperative project.

These are real contributions made by dedicated people in spite of our failure to provide the support they have so requested. These accomplishments show that Forest Service research has found ways to improve surface mine reclamation and that results of this research are being used throughout the Nation. I wonder what additional advancements could have been made if the Executive or the Congress had shown some interest.

As diligent and productive as these efforts have been, the results are very small indeed when compared to the magnitude of the problem. The most difficult and important research still lies ahead. The most urgent problems are in two general areas. First, in improving reclamation engineering practices to better protect the environment and in creating stable conditions for a rapid restoration of disturbed areas following the mining operation. Second, water pollution control methods must be developed under realistic mining conditions on large experimental watersheds where all phases of mining and reclamation operations can be monitored, studied, and controlled.

Mr. President, many of the energy bills now being considered by the Congress all look to the gasification, liquification, and desulfurization of coal as being vital to the solution of our energy problems. These programs carry a price tag of billions of dollars. I am in complete agreement that we must pay this price. However, I hasten to add that before these goals can reach fruition the coal itself must be mined and made available. More than half of our coal is now provided by surface mining methods. In the interest of insuring that the technology for the reduction and/or elimination of the un-

desirable effects of surface mining throughout the Nation be made available to Federal, State, and private agencies, I urge that the operating budget of the Forest Service be increased by the comparatively small amount of $875,000 to permit the implementation of the planned expansion of the research program at Berea, Ky.

I also urge that the funds in the amount of $1,431,000 be added to the Forest Service budget for the construction of the office-laboratory building which has been designed, with funds appropriated by Congress, to accommodate the larger and more intensive research programs. When we recognize that the decision to recover or abandon millions of tons of coal will be made on the basis of reclamation techniques and programs, the benefits of this program will far exceed these minimal costs.

Mr. President, if we can assume that we will solve these problems and are successful in producing the coal needed to meet our energy requirements, we are still faced with problems related to the use of this coal. On March 1 of this year on the floor of the Senate I addressed the subject. I stated that the main problem facing the coal producer and the powerplant operator is that to my knowledge there was no effective commercially tested desulfurization system available for installation which would permit the consumer to burn high sulfur coal and meet the emission standards established by the EPA within the time limit established by the Congress which is 1975.

The record will show that I voted for the Clean Air Act when it was passed by Congress, and I have not changed my views concerning the goals of this legislation. However, I was then and am now even more convinced about the rather limited effort being devoted to solving the problems related to meeting these standards.

I realize the chief objection to the use of coal from the standpoint of the Clean Air Act is its ash and sulfur content. The technology for removing fly ash from the stack gases of coal-burning plants has been developed to a high degree of efficiency and is ready, available, and should be employed. However, emission standards for oxides are another problem. Coals low enough in sulfur in the natural state or which can be cleaned by known means to meet these standards are extremely limited. The techniques for removing the sulfur compounds from the stack gases are not yet commercially available.

When the implementation plans of some States go into effect between now and 1975, they will specify the new source performance standard of 0.6 pounds of sulfur per million British thermal unit. This will require, in the absence of other control means, the use of "east of the Mississippi" coal containing less than 0.7 percent sulfur. Unfortunately this coal is scarce. The U.S. Bureau of Mines estimates that only about 8 percent of our coal reserves in this area of the country could meet the requirement, and much of that coal is on steep slopes.

In addition to meeting the above limits on new plants, I am concerned about how we can burn coal and meet the limits being imposed on existing units. Although the limits established by the EPA call for meeting the primary standards by July 1, 1975, as directed by Congress, the States are calling for the secondary standards to be met by the same date. This requirement makes it even more imperative that we devote increased effort to the problems of desulfurization and stack cleaning.

Mr. President, I ask Congress, Are we not being just a little bit arbitrary in demanding maximum output from our electrical power producers without a maximum effort to solve the problem which denies this same producer the use of his most available and abundant domestic source of fuel? I think we are.

I believe that the acceptance of this technological failure will have side effects which can have critical long-run national consequences to the economic and military security of our Nation, side effects which I do not believe were anticipated when the act was debated and enacted by the Congress. I do not believe that when the Congress moved to alleviate the threat of air pollution, it did so with a single-minded purpose which was consciously intended to transcend all other vital national goals such as fiscal integrity, national security and independence in the conducting of our foreign relations.

Mr. President, there is a real sense of urgency here. Assuming that the required technology is available in the near future, I submit that the leadtime required to install a desulfurization system in our generating plants without reducing the capacity to meet the consumers' requirements for electrical power will threaten the attainment of announced goals. Admittedly, there is of course some reserve capability in each utility system which can be converted without immediate impact on output. However, as units are taken "off the line" even on a very limited schedule, the remaining converted units must be permitted to continue operation to meet power requirements.

To serve its customers, an electric utility has to deliver power reliably around the clock. This means that it can have only a small part of its capacity—that which is in excess of demand—off the line for maintenance, repair, or experiment at any time. It cannot afford to engage in full scale tests over long time periods with untried equipment without a crippling impact on power output. It cannot stockpile electricity. If it does not have enough capacity at the instance of demand, then it must shed part of the load or purchase power from neighboring systems. Unfortunately, today, few systems have power to spare.

I repeat, if the technology were available it would be most difficult to make necessary installations by 1975 and still meet consumer requirements. We cannot afford further delay.

Mr. President, in conclusion I submit that to adopt a policy which prohibits surface mining would lead to chaos. To adopt a policy of surface mining without adequate reclamation would be unacceptable. To me this is not an impasse. I am convinced that American know-how, given adequate funds and facilities will find a way to reclaim our land.

I again appeal to the Congress to accept the responsibility abrogated by the Executive and provide the funds for the Forest Service at Berea, Ky.

I again appeal to the Senate to hold oversight hearings on the coal mine health and safety bill as soon as possible.

Finally, let us accept the lead provided by the President and limit the sulfur oxide emission restrictions imposed on our utilities to those proposed by the EPA and not some accelerated program which would deny the American people the use of coal for electricity.

Mr. DOMENICI. Mr. President will the Senator from Kentucky yield?

Mr. COOK. I am happy to yield to the Senator from New Mexico.

Mr. DOMENICI. Let me join in complimenting the distinguished Senator from Kentucky upon his remarks on the very serious problem concerning energy resources in America. One might think that a Senator from a Southwestern State like New Mexico is not concerned with the problem, but let me say to the distinguished Senator from Kentucky that, as he well knows, this land, from one end to the other, is great, with tremendous resources. America is concerned about the proper use of our coal and appropriately seeks to provide for the reclamation of its mines, particularly strip mines, in many regions.

If we do not get on with this, we are going to leave the resources to some future generations. However, it seems to me that America stands on the brink of a great catastrophe if we do not provide for the proper use of our resources.

If the distinguished Senator from Kentucky would permit, I wish to digress to the remarks of the senior Senator from Nebraska who spoke preceding the distinguished Senator from Kentucky. He spoke of the extreme shortage of fuel in the Farm Belts of America. For just a moment, I wish to tie that in with the Senator's comments about the future, because that concerns itself with the President of the United States. Our Secretary of Agriculture has said that supply and demand is the solution, the philosophical solution to our food shortage and to our balance-of-payments problem. I join today with the comments of the distinguished Senator from Nebraska (Mr. CURTIS) for he reminds us that the President should charge the Secretary of Agriculture with an immediate plan for allocating fuel to the Farm Belt of this country.

What we have now done is to say to the farmer, "You can plant more." We are giving them 30 percent more cropland in some parts. I might suggest to the Senator from Kentucky that the future is now upon us. They are not going to plant if they cannot be assured of fuel to till the soil and fuel to harvest.

In my small State one county is expected to plant 55,000 acres of new crops, but they cannot because they do not have diesel fuel to till the land or to harvest the crops.

I join the Senator in his remarks and I join the Senator from Nebraska in his

remarks. He said the problem is now. We urge the President and the Secretary of Agriculture to prepare forthwith and implement a plan to assure the farmers of this country sufficient fuel in their tanks to till with confidence the new acreage being allotted to them, for the future of America depends on it.

Whether we are going to have adequate food, as experts in the administration have planned, for years ahead, depends on now, not 2 months from now. Then it would be too late to plant, and new allocations would be meaningless. We would enter another year of rising food costs and balance-of-payment deficits, and I do not want to be a part of that group of which it might be said that they did not take a stand on the matter and speak out. I urge those in the administration who are concerned about this not to rely on accidents of the marketplace in this matter, because it will not work.

I thank the distinguished Senator for yielding, and I compliment him on his excellent remarks today about future energy needs.

Mr. COOK. I thank the distinguished Senator from New Mexico. As the Senator knows, we are far behind in coal degasification. We have tried to get administrations in the past to give more concern to coal degasification. We have made little progress in the removal of oil from coal shale.

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

Mr. COOK. I yield.

Mr. TAFT. Mr. President, I have listened to the remarks of the distinguished Senator from Kentucky. I commend him for his most statesmanlike review of the coal and energy problems. Coming as I do from the State of Ohio, I point out that Ohio is an enormous energy consumer, as well as the State in which there are large coal deposits that have to be mined by strip mining. Increasingly strict laws on handling and placement of the overburden, and reclaiming of the land has been carried out. In many instances it really improved the character of the land rather than to damaging it.

I think it is of enormous importance that we rapidly move with sulfur removal, coal liquification research as well as gasification of coal. I would be delighted to support the Senator from Kentucky with the research in Berea. I think it is an excellent place to handle the matter.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, we are awaiting the arrival of the Senator from Massachusetts (Mr. KENNEDY) from the Judiciary Committee to open the debate on the unfinished business. Pending his arrival, I ask unanimous consent that the Senator from Kentucky may be permitted to proceed out of order for an additional 10 minutes.

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

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

Mr. COOK. I yield.

Mr. DOMINICK. Mr. President, I was not in the Chamber in time to hear the entire discussion, but I did hear the remarks of the Senator from New Mexico and of the Senator from Ohio, and I heard the end of the speech of the Senator from Kentucky. I think it is time that all of us heed what the Senator has said, what the Senator from New Mexico said, and what the Senator from Ohio and the Senator from Nebraska said.

The other day I was a participant in a telegram we sent to the OEP. I also was a participant in the meeting with the Senator from Nebraska (Mr. CURTIS) in the Vice President's office with Mr. Simon concerning the need for agriculture allocations of fuel for this year. That is only the start, as I am sure the Senator is aware. The Senator is totally correct that our greatest energy resource in the realm of fossil fuel at the moment is the use of coal; and the difficulties we have had with it are first in the research to get an economical method to get methane gas. The other problem is in some of the rules and regulations that have been put into effect on the type coal that can be used and the air pollution that may come from it.

As the Senator knows, I am a pilot, among other things. I have noticed increasing air pollution that has occurred over the last 25 years in our country, which has been very strong, and we need to take action along this line to clear up that matter. There is no doubt at all. I know the Senator from Kentucky agrees with that.

There are great deposits of relatively clean coal, if one may call it that, in our own Western area, as well as in Kentucky. It would be my hope that we can start developing that.

As the Senator from Ohio said, we have to have input on reclamation of these lands, and there is no doubt about that. But also the energy shortage is so extraordinary that one company has already told everyone in our State—not just one jobber but everyone—that they will be cut off from propane and butane. This means jobbers and distributors affiliated with that company will be left out in the cold. They cannot find any other source to get it, and people who rely on this for home use are destitute for any power source within their own homes.

We have another large company that has cut off distributors in rural areas of our State. We have been besieged with letters and telephone calls trying to get something done about it. It is my hope we can. I think the Senator from Kentucky has been aware of the briefings we have had where energy resources estimated for 1985, and we are only 12 years away from that now, are so extraordinary that between 1970 and 1980 to meet the demands is estimated to cost $150 billion in order to put in deep water ports, refineries, pipelines, and so on for fossile fuels imported from the Middle East. Where are we going to get that money? I do not know. Who is going to put it up? I do not know that either. We are told that by 1985 to take care of this demand level we would have to have nuclear powerplants built in streams at the rate of one per week. This is taking into consideration that Congress should pass a law or someone should pass a law or get Detroit to do something about putting out automobiles to get 35 miles per gallon.

We still have to do it. I do not know how we are going to do that. With the EPA situation, and its rules and regulations, we now get about as many gallons per mile with a Chevy Nova as we did a 1965 Cadillac. I bought a 1972 last year, and I am getting 10.2 miles a gallon. That is not a good recommendation for General Motors, or anybody else, either.

What I am saying is that it will not do any good to have rules and regulations under EPA on emissions if we are going to use twice as many gallons of gasoline. It makes no sense in controlling air pollution.

With the energy problem facing us today, with the demand level that already exists, and which will be increasing year by year, I do not see how we can do it unless we follow all the suggestions that have been made—coal gasification, the ability to put nuclear energy onstream, the efforts on geothermal energy, and the efforts on solar energy, which is now going forward, and with some meaningful amounts of money devoted thereto, it is hoped that we may continue this drive, under the leadership of the Senator from Kentucky, and that these proposals will be recognized, in order to get something done and in order to take care of the demands. This may be done to some extent by reducing needs, such as through better insulation in houses, perhaps having some industries use coal instead of oil and gas, or by increasing our gas supplies through methane supplied from coal and even by getting it from garbage.

Unless we do that, we are going to find ourselves, in a short time, not only rationing our fuel supplies, but the price is going to go up.

The gentleman who briefed me indicated that, in relation to our balance-of-payments situation, and the amount of money we would be expending on the import of oil and gas, no longer will we have a U.S. dollar; we will have a camel dollar. That is a pretty graphic freeze, but what he is talking about is the indication that the $80 billion expenditure, or whatever it may be, a year, is more than our total exports at the present time—I am talking tabout 1985 to 1990—and that is at present prices. Once the other countries—they are no dummies—realize we are relying on them, the price is bound to go up. That is not counting the expenditures necessary to get in our tankers, develop our ports, and so forth.

So I am delighted that we have had this opportunity to have this colloquy, and I thank the Senator.

Mr. COOK. I thank the Senator from Colorado and I thank the Senator from West Virginia for allowing us this opportunity to have the colloquy.

I yield back my time.

Mr. ROBERT C. BYRD. The Senator is very welcome.

Mr. President, I yield back my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

HEALTH MAINTENANCE ORGANIZATION AND RESOURES DEVELOPMENT ACT OF 1973

The Senate continued with the consideration of the bill (S. 14) to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a Quality Health Care Commission, and for other purposes.

Mr. KENNEDY. Mr. President, I would like to request unanimous consent that floor privileges be extended to the following individuals during consideration of S. 14, the Health Maintenance Organization and Resource Development Act of 1973, S. 723 and S. 504: Dr. Philip Caper, Mr. Leroy Goldman, Mr. Jay Cutler, Mr. Nik Edes, Mr. John Hunnicutt, Mr. Chuck Woodruff, Mr. Dan Murray, Miss Ellie Parker, Mr. Joe Carter, and Ms. Jane T. Kline.

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

Mr. KENNEDY. Mr. President, I am pleased to be able to call the Health Maintenance Organization and Resources Development Act of 1973 to the floor of the Senate.

This bill is very similar to the Health Maintenance Organization and Resources Development Act of 1972, passed by the Senate during the 92d Congress by a vote of 60 to 14.

The Committee on Labor and Public Welfare has made a number of amendments, improving the legislation, and has reduced the total authorization level from approximately $5.1 billion to $1.5 billion over a 3-year period.

This legislation is intended to provide Federal subsidy to help offset the costs incurred in putting together complex and sophisticated organizations intended to provide health care services. The Subcommittee on Health of the Committee on Labor and Public Welfare has held extensive hearings over the past 2 years into the various issues raised in attempting to determine just what type of health maintenance organizations the Federal Government should subsidize.

The legislation seeks to provide Federal subsidy for those types of health maintenance organizations which have a proven track record and which have demonstrated the ability, over the years, to provide health care services to their enrollees, in an efficient, effective, and economical manner.

Because of the President's support for the concept of health maintenance organizations during recent years, and because of the intrinsic appeal of the concept of organizing and structuring our health care services to a greater extent than is now the case, many different types and forms of health maintenance organizations are beginning to emerge.

This legislation, however, is designed to limit large-scale Federal support, at least initially, to those types of health maintenance organizations which have been proven to work.

There is nothing coercive in this legislation. The bill simply makes Federal support available to those wishing to establish health maintenance organizations along rather specific guidelines outlined in the legislation. The total authorizations for Federal subsidy for planning and feasibility, initial development, initial operating subsidy, and construction costs to HMO's amounts to $645 million over a 3-year period.

According to the best estimates available to the committee, even if every dollar authorized were made available for the development of health maintenance organizations, only 150 to 200 such organizations could be fully funded. Approximately 6 million people could be enrolled in the 200 or fewer HMO's assisted by this legislation. That amounts to about 3 percent of the American people.

Mr. President, the health care industry in the United States has a cash flow in excess of $80 billion per year at the present time. A $1.5 billion investment over a period of 3 years, designed to help increase the efficiency with which the health industry functions, is a comparatively miniscule amount of money in an industry that size.

The costs of providing health care services are increasing at a rate approaching 10 percent per year at the present time. It is extremely important something be done soon to try to slow this rate of increase.

The health maintenance organization concept will result in the creation of organized health care delivery systems. Health care services will be organized in such a way as to make them more easily accessible and available to the consumer. The incentives, so prevalent in our existing "nonsystem" of health care delivery which tend to encourage the inappropriate use of very high costs services, will be restructured in HMO's.

Mr. President, nobody I know is advocating doing away with our present health care system. However, I believe that workable and meaningful alternatives to our existing fee-for-service solo practice system of health care can and must be sought and found.

Our health care system at the present time is monolithic. This bill seeks to introduce some small degree of pluralism into that system so that the American people may have a choice in determining how they wish to purchase health care services—through their family doctor or through an HMO. This legislation would make such a choice possible.

Throughout almost a year of hearings specifically concerning health maintenance organizations, and through many additional months of hearings concerning the health care crisis, a number of problems related to the existing manner in which health care services are delivered have come to light. The Health Maintenance Organization and Resources Development Act of 1973, as reported by the Senate Committee on Labor and Public Welfare, contains many provisions intended to alleviate some of the problems which have come to the attention of the Committee on Labor and Public Welfare over the past year and a half.

Although it is clear that no single piece of legislation can correct the many problems currently existent in the delivery of health care services, I believe it to be the responsibility of the Congress to identify problems which currently exist in the health care industry and to do what it can to alleviate them. I believe that new Federal legislation should represent the most progressive and most considered thinking available at the time of its passage. I believe the Federal Government should act to set a tone which can serve as a benchmark to those, in and out of the health care delivery professions, who are interested in the improvement of our current health care delivery system and in elimination of the many problems currently present in it. For that reason, I believe Federal legislation must be the cutting edge of innovation and change in an industry critical to the well-being of the American people. I believe this bill represents that kind of change.

The Health Maintenance Organization and Resources Development Act of 1973 contains provisions intended to alleviate difficulties the committee has observed in the organization, availability, accessibility, and efficiency of the delivery of health care services in urban and rural America.

HEALTH MAINTENANCE ORGANIZATIONS

Title I of S. 14 provides capital assistance for the planning, initial development, and initial operation of health maintenance organizations in urban areas. In addition, grants and loans to offset the costs of construction of ambulatory facilities are included in this bill.

Health maintenance organizations qualifying for support under the terms of this legislation would represent a substantial departure from the existing solo practice fee-for-service mode of the delivery of health services. The health care industry, now overwhelmingly cast in the fee-for-service solo practice model, provides no real alternatives to the consumer. At the present time, only about 5 million Americans are able to receive services through health maintenance organizations similar to those which will be eligible for assistance under the provisions of title I of S. 14. The intent of this legislation is to provide a stimulus to the development of more health maintenance organizations, so that the existing situation in which no real alternative to the consumer exists can be modified. As President Nixon stated in his 1972 message on health—

> I do not believe that HMOs should or will entirely replace fee-for-service financing. But I do believe that they ought to be everywhere available so that families will have a choice between these methods.

I agree with the President. The provisions of S. 14 are designed to increase capital support for health maintenance organizations so that we can move away from the 96:4 ratio which currently exists between fee-for-service solo practice and health maintenance organizations.

A health maintenance organization, as

defined in title I of the bill pending before us, has many inherent advantages. First, a group practice arrangement, required under the provisions of part A of title I of this bill, will enable physicians to engage in an informal ongoing peer review and consultative process not possible to nearly as great an extent when providers are geographically separated. In a multispecialty group practice, such as that described in the definitions contained in this title, specialists of many types are available on site for formal and informal consultation concerning the problems of specific patients. The time saved by doing away with the necessity for referring patients to a physician located at some distance from the referring physician will greatly facilitate the provision of high quality health care to patients enrolled in health maintenance organizations. Moreover, a multispecialty group practice approach will facilitate the integration of many of the new and emerging types of health professionals into a truly effective team for the delivery of health care services. Such an approach will go far in increasing the efficiency and effectiveness of the most highly trained and most costly members of the health care team.

Another advantage to a multispecialty group practice approach is that it makes possible the compilation of a single medical record, containing the notes and comments of various types of health professionals who have seen the patient concerning a particular illness, in a single place. A single unit medical record will greatly improve communications among the various health professionals responsible for the care of a patient or group of patients.

It is true that many types of health care organizations exist and are coming into existence in response to growing national concern over the costs and availability of health care services. Many types of health care organizations other than those which would qualify under the definitions in title I of this bill already exist or are being planned. The purpose of the health maintenance organizations and resources development act of 1973 is to provide Federal capital support for forms of health care delivery organizations of proven effectiveness. The steady growth of a multispecialty prepaid group practice over the years, despite the inherent expense and difficulties experienced in establishing them, and the persistent discrimination against and harrassment of these organizations, both legal and extralegal, by organized medicine, is testimony to their effectiveness and acceptability.

In the view of the Committee on Labor and Public Welfare, Federal dollars should be used for the capital support of the very best available in the health care field. The Health Maintenance Organization and Resources Development Act of 1973 makes Federal dollars available for those entities which, in the view of the committee, are the best available at the present time.

SUPPLEMENTAL HEALTH MAINTENANCE ORGANIZATIONS

Capital support for the development of a much broader range of less well proven health care delivery entities is available under part B of title I—17.5 percent of the funds appropriated under part A of title I may be earmarked for "supplemental HMO's." In addition, funds in excess of 17.5 percent may be used, if after all qualified applicants under part A are fully funded, appropriated sums remain.

In addition, moneys for the purchase of services from a broad variety of health care organizations are provided in other titles of the bill.

For purposes of this legislation, priority in Federal capital subsidy is provided to those organizations of proven effectiveness, and those organizations which are most difficult to form, which have the highest capital requirements, and therefore have the greatest need for outside subsidization. The committee will be conducting an ongoing review of the cost and effectiveness of other types of health care delivery organizations as they become established, and will be happy to modify this or any future legislation to support those health care entities which have proven their value and effectiveness.

Capital support for experimentation with new types of health care delivery organizations is already available under the Public Health Service Act. The intent of title I of the Health Maintenance Organization and Resources Development Act of 1973, is to initiate the formation of multispecialty prepaid group practice forms of health maintenance organizations. It is anticipated that the Secretary of Health, Education, and Welfare will continue to use the appropriate authorities already in existence for experimentation with other forms of health care delivery organizations.

HEALTH SERVICE ORGANIZATIONS—RURAL AREAS

Title II of this bill provides support for health service organizations, intended to help relieve the unique problems of health care delivery in nonurban areas. Because of relatively scattered populations in rural areas, in the view of the committee, a health maintenance organization as defined in part A of title I of this bill would be difficult or impossible to establish in a rural area. For that reason, provisions are made to provide capital support for health service organizations in rural areas. Health service organizations differ from health maintenance organizations in that great flexibility is permitted for the structure and range of health services provided. Under the provisions of title II of this bill, individual practice plans would be eligible for capital support in rural areas.

The cost of providing health care services in rural areas exceeds that in urban areas on a per capita basis because of the problems of transportation and communication presented by attempting to provide health care services in rural areas. For that reason, Federal capital subsidy is made available under the provisions of title II for a wide variety of types and forms of health care delivery organizations which would qualify under the definition of a health service organization contained within this legislation. The range of services required in this legislation in order for an entity to qualify for support may be altered in the case of a health service organization by a specific waiver on the part of the Secretary of Health, Education, and Welfare. This provision was included as a result of the committee's recognition that personnel, equipment, and facilities to deliver the full range of required comprehensive health services may not be available in rural areas, and that such a requirement might therefore stifle the development of health service organizations unless the flexibility provided by a waiver was included in the bill. However, a health service organization, in obtaining a waiver, must provide the Secretary with adequate assurances that it will work toward the provision of a full range of comprehensive health services as rapidly as possible.

It is the intent of the Committee on Labor and Public Welfare that the Congress take a leadership role in improving the availability and comprehensiveness of services received by enrollees of plans subsidized with Federal funds. To cite the fact that many existing plans do not conform to what the committee believes to be desirable standards at the present time is an inadequate argument against the assumption of a leadership role by the Federal Government in stimulating an improvement in the comprehensiveness of health services which Americans receive. I believe that Federal funds should be used not to reinforce the status quo, but rather to lead the way in improving the existing health care delivery system. The provisions of this bill are designed to accomplish that coal.

AREA HEALTH EDUCATION AND SERVICE CENTERS

Title III of S. 14 contains authority for the Secretary of Health, Education, and Welfare to fund area health education and service centers. Throughout our hearings, both in Washington and last year in the field, it became evident that the urbanization of medical education in this country has contributed to the sparsity of physicians and other health care personnel in rural areas. While this factor is certainly not the only, or perhaps even the major, cause of the shortage of health care personnel in rural areas, it is a contributory factor in the view of the committee. During the visit of the Health Subcommittee to four European countries last fall, we had an opportunity to observe ways in which some of those countries handled the problem of attracting health care personnel to rural areas. One of the most effective ways in which this was done was through the assignment of health care personnel in training to rural health care educational facilities and health care delivery facilities. Not only did this accomplish the goal of placing health care professionals in rural areas on a temporary basis, but it appeared to be a significant factor in encouraging health care personnel to remain in rural areas after the completion of their training. Programs such as these help to reduce the sense of professional isolation felt by health care professionals in rural areas, while at the same time accomplish the goal of providing high quality health care services to the residents of those areas.

Title III of the Health Maintenance Organization and Resources Development Act of 1973 authorizes grants and loan guarantees to subsidize the cost of establishing area health education and service centers in nonmetropolitan areas. University health centers, regional medical programs and nonprofit provider groups are eligible for these funds. The intent of the committee in establishing these authorizations is to encourage the development of educational facilities and programs in areas where such programs do not now exist. It is the intent of the committee that such programs shall not be exclusively educational in nature, but shall utilize the opportunity provided by their existence to provide health care services to the community in which they are located where this is feasible. The committee realizes, of course, that the funding for such health care services should not be derived from funds intended for education alone, but should be derived where possible from service funds.

Toward that end, an area health education and service center must have a written agreement with a health service organization, where a health service organization exists in the area served by the area health education and service center, and must make its facilities and programs available to all licensed providers who are eligible for assistance under the Public Health Service Act, in the area served by the center. It is hoped that the impact of the area health education and service center upon the quality of health services in the area will in this way be maximized. It is hoped by the committee that area health education and service centers will not become ivory towers without impact with or interaction upon the surrounding community.

GENERAL PROVISIONS

Title III of the Health Maintenance Organization and Resources Development Act of 1973 also contains various general provisions. Among them is a provision preempting State laws which restrict group practice, the corporate practice of medicine, or other conditions which would impede and inhibit the growth of health maintenance organizations, health service organizations, and supplementary health maintenance organizations. The history of innovation in the delivery of health care has been one of opposition, harassment and discrimination on the part of organized medicine toward innovators. Some of this opposition has become manifest in State law. As of May 1971, 22 States continued to have laws prohibiting prepaid group practice. The Health Maintenance Organization and Resources Development Act of 1973 provides for Federal preemption of such laws. The committee recognizes the fact that some of these laws were originally intended as controls over the quality of the practice of medicine. Therefore, in order for any provider of health care services to qualify for the preemption provisions of this legislation, that provider must have the approval of the commission on quality health care assurance, established in title IV of this bill.

This requirement was written into this legislation by the committee in order to assure consumers of health care services that those services will be of high quality.

Another important preemption provided in the Health Maintenance Organization and Resources Development Act of 1973 is that against advertising for the purpose of recruiting enrollees. The committee believes that health maintenance orgnizations, health service organizations, and supplemental health maintenance organizations must be allowed to attempt to recruit enrollees to at least as great an extent as commercial health insurance plans.

To prohibit them from doing so, as is the case in many States, would seriously impair their ability to grow. The committee believes that private insurance plans which advertise for the recruitment of subscribers, and then reimburse providers on a fee-for-service basis, are in effect acting as the agents to those providers electing to practice in the fee-for-service mode. It sees no reason why prepaid health care organizations, as long as adequate quality assurances can be provided, should not be allowed to compete on an equal basis.

The preemption of State law regarding the corporate or group practice of medicine is not without precedent. Title IV of Public Law 91–515 established authority for group practice and authorized eligible carriers under the Federal Employees Health Benefits Act to underwrite prepaid group practice without regard to certain State restrictions. In a sense, this provision of the Health Maintenance Organization and Resources Development Act of 1973 is simply a broadening of that general principle.

Another provision contained in title III of this bill authorizes capitation grants to enable health maintenance organizations, supplemental health maintenance organizations, and health service organizations to serve medically indigent and high-risk individuals in instances where all other sources of financing for such services has been utilized. Throughout the past year and a half, the Health Subcommittee has heard of many instances where adequate health care could not be obtained because of inadequate financial resources despite existing insurance mechanisms.

For that reason, the committee has authorized the appropriation of funds, falling into two categories: The first is for the subsidization of the costs of premiums in a health maintenance organization, health service organization, or supplementary health maintenance organization, when all other sources of funding, both public and private, have been exhausted. The committee has provided this form of subsidy for two reasons. First of all, it wishes to underscore its view that in utilizing public funds for the developmental assistance of health maintenance organizations, health service organizations, and supplemental health maintenance organizations, the committee believes it has an obligation to assist those incapable of meeting the costs of services in such organizations.

The committee has placed a 3-year limitation upon capitation subsidies authorized under the provisions of this legislation. This has been done not because the committee believes those requiring such subsidy will not continue to have such a requirement beyond 3 years, but rather because the committee views this particular form of capitation subsidy as less than optimal, and, at best, a stopgap measure. The committee hopes and believes that by the time this 3-year limitation has expired, a more satisfactory mechanism of financing, a true national health insurance plan, will have been enacted.

The committee fully intends to review the effectiveness of the program authorized under section 1245(a), prior to the expiration of this authority, and to take appropriate action at that time based upon experience accumulated with the program authorized by this section of the legislation.

Second, the committee wishes to encourage the enrollment of individuals in organized systems of health care delivery. The committee believes that such organized systems of health care delivery will be capable of giving higher quality health care at much lower costs than is true in a relatively disorganized system.

The second form of subsidy available under this provision is to enable the health maintenance organization, health service organization, or supplemental health maintenance organization to maintain the open enrollment policy required by the provisions of this legislation.

Two practices, prevalent in the private insurance industry, make it difficult for individuals with a history of chronic or recurrent illness, or who in the opinion of the insurer stand a chance or requiring unusually high numbers of health care services, to obtain adequate insurance coverage.

These two practices are related. The first is called skimming. "Skimming" is the practice whereby an insurance company may refuse to provide such an individual with insurance coverage effectively skimming only the best risks for the practice whereby an insurance company to offer lower rates. The second practice is called experience rating.

Experience rating is the practice wherein an individual with a high "risk" of utilizing health care services is charged a higher premium rate than are individuals or a group of individuals with a low risk of utilizing services. In this way, the insurance company attempts to pay for the cost of providing a high number of services by levying an additional premium on the user of high number of services. Most often, a high utilizer of services is an individual with a chronic or recurrent illness, who is generally less well able to pay for his services than others.

The committee believes both of these practices to be undesirable, and to be antithetic to the purpose and principles of insurance coverage and risk sharing. For that reason, this legislation requires that any organization qualifying for assistance maintain a community rating policy, that is, must charge the same premium to all of its enrollees, and maintain open enrollment. Open enrollment means that the organization must accept

enrollees in the order in which they apply up to its capacity, without regard to the applicant's prior health care history.

The committee realizes that both of these requirements place organizations qualifying for assistance under this legislation at a competitive disadvantage with the commercial industry which need not adhere to these requirements. For that reason, the Secretary has been authorized to subsidize organizations qualifying for assistance under this legislation in order to enable them to maintain the required open enrollment policy. If an eligible applicant under the terms and conditions of this legislation can demonstrate to the Secretary that a continuation of an open enrollment policy will result in a premium increase, the Secretary is authorized to make a grant to that organization equal in amount to the amount required to prevent such a general premium increase.

COMMISSION ON QUALITY HEALTH CARE ASSURANCE

Mr. President, problems of the determination of quality in health care services far transcend lack of current knowledge or lack of competence on the part of a particular provider. In my opinion, the absence of agreed upon norms and standards for quality health care on a national scale have greatly contributed to the difficulties currently being experienced by the administrators of public health care programs in determining just what constitutes an appropriate health care service in a given situation. I fully appreciate the unique and important position an individual health care provider must play in determining the appropriateness of services for a particular patient in a particular instance.

However, the importance of the role of that provider cannot justify the continued absence of generalizable standards relating to the inputs, process, or utilization characteristics of health care services, nor to the virtual absence of a capability to relate the process of medical care to the results of that process on the health of the patient.

Licensure standards vary from State to State.

No reason exists for the continuation of this confusion. Unlike law or certain other professions, there is no justification for regional variation in the practice of medicine. Although the incidence of disease may vary from place to place and the population of patients may vary from place to place, medicine is a universal art and science.

I believe providers of health care services throughout the country would welcome the opportunity to participate in an effort intended to increase the body of knowledge concerning the long-range impact of their practices and the opportunity to compare their modes of practice with those of providers in other parts of this country.

For that reason, this legislation provides for the establishment of a commission on quality health care assurance.

The intent of the committee in authorizing the establishment of such a Commission is to promote the assurance or quality health care practices, invest in the accumulation of additional knowledge about the practices of health care professions in this country and the results of those practices, and to provide assurances that consumers have an opportunity to become involved in many of the major policy aspects of the provision of health care services which they purchase and which they receive.

The Commission as authorized in title IV of this bill would consist of 11 members and would be an independent agency of the Federal Government. Of those 11 members, 4 at any given time must be consumers unrelated to the health care industry. The remaining seven must be professionals drawn from health care disciplines. The committee intends that the composition of the professional membership of the Commission shall be representative of various aspects of the health care industry.

The commission is authorized to promulgate standards relating to the qualifications and characteristics of personnel and facilities. This authority is, in the committee's view, closely related to the preemption of State law authorized in title III. It is intended that the Commission, in promulgating such input standards, shall attend to the functions of State laws preempted under the provision of this legislation.

The committee does not intend that the Commission shall engage in the determination of how the health professions should be practiced. It is not the intent of the committee that the Commission shall engage in capricious or arbitrary standard setting concerning health care practices. However, the committee believes it to be essential that the Commission be allowed to assure quality, and to effectively monitor health care practices in such a way as to enable it to eventually determine and formulate criteria for what constitutes good health care practices, and to identify reasons for deviation from good health care practices on the part of providers and consumers alike.

The Commission is authorized to ascertain that a provider, in order to become eligible for certification by the Commission, have an approved quality health care assurance system. No attempt is made to describe the nature of that system in this legislation, with the exception of the committee's desire that consideration be given to the feasibility of including varying types of health care professionals and consumers in the composition of the quality health care assurance system. It is intended by the committee that the quality health care assurance system be locally determined and operated, in compliance with general criteria established by the Commission. It is anticipated by the committee that such quality health care assurance systems will assume a variety of forms.

It is the committee's wish, however, that such systems be able to comply with the uniform reporting requirements, in order to enable the Commission to gather and compile data which will make the establishment of norms for health care practices possible.

Since the passage of legislation similar to this by the Senate last September, the professional standards review organization amendment has been adopted as part of Public Law 92–603. At the present time, the Department of Health, Education, and Welfare is acting to implement this law.

While the committee would prefer that approved quality health care assurance systems on a local level have significant consumer input, nothing in the legislation currently under consideration by the Senate prohibits a local PSRO unit from acquiring approval by the Commission on Quality Health Care Assurance as a quality health care assurance system. It is expected by the committee, however, that such a PSRO unit would comply with the public accountability and reporting requirements to be developed by the Commission in order to be qualified as approved quality health care assurance system.

The committee views the coordination and cooperation of local quality health care assurance systems with the Commission on Quality Health Care Assurance as an essential characteristic if true public accountability of the $80 billion a year health care industry is ever to be achieved.

This one aspect of this legislation is, perhaps, the most critical of all in enabling the American people to receive full value for the health care services for which they pay so dearly.

In addition to the accumulation of data, the Commission is directed to utilize the information gathered from the quality health care assurance systems as well as the medical malpractice arbitration systems authorized in a later section in the title, to compile information relating to health care practices throughout the country. It is then directed to establish, after adequate hearings, statistical norms describing those practices, and is authorized to investigate instances in which significant deviation from those norms is observed.

In this way, it is the hope of the committee that a body of knowledge can be established which will lend itself to the formation of standards within the health care field.

The ultimate goal of the Commission, although requiring many years to accomplish, will be to relate the processes of medical care to the results of those processes.

The Commission is further authorized to enforce the rather rigorous consumer participation and consumer disclosure requirements of this legislation. It is the view of the committee that the consumer, who is the purchaser and recipient of the health care services, should have the greatest possible voice in how and under what circumstances those services are to be delivered. It is hoped by the committee that the Commission will assist in the accomplishment of this goal.

The Commission is authorized to issue certification to health care providers meeting its requirements regarding standards, the operation of approved quality health care assurance systems, and consumer disclosure. Certification by the Commission will be prerequisite to eligibility for any assistance under this legislation or any future assistance un-

der the provisions of the Public Health Service Act.

In addition, any provider, whether an applicant for Federal funds or not, may voluntarily seek Commission certification. In return, any certified provider will receive a quality health care initiative award, equal in amount to the actual costs he incurs in complying with the Commission requirements, such as recordkeeping, bookkeeping, and reporting. No provider shall be eligible for the preemption of State law, the medical malpractice reinsurance protection or federally supervised medical malpractice arbitration procedures unless he is a certified provider of health care under the provisions of this legislation.

In this way, it is intended to stimulate the participation of all health care providers in the quality assurance program on a voluntary basis. It is only through participation of a large proportion of all health care providers that an accurate assessment can be made of the quality of health care in this country at the present time. Adequate evidence already exists that the quality of health care services in this country is, at best, spotty.

This legislation additionally provides for State standards for quality health care assurance. If a State can promulgate standards at least equal to those of the Commission on quality health care assurance and acceptable to the Commission, and can offset the costs of enforcing such standards, it may do so in lieu of direct Federal administration of the quality assurance program.

MEDICAL MALPRACTICE

Mr. President, this bill also provides for the arbitration of medical malpractice disputes, the limitation of contingency fees in such arbitration proceedings, and establishment of a Federal medical malpractice reinsurance program. These provisions are most important reforms to assure stability and equity in this vital area for both the provider of care and the patient.

Medical malpractice litigation has become an onerous and protracted means to resolve medical malpractice disputes. The costs are escalating with less of the medical insurance premium dollar going to compensate the injured party. The delays in resolving such disputes average up to 4½ years from initial filing of a suit. Litigation has failed to provide an efficient means to achieve a fair result for all concerned.

Arbitration is an efficient and effective method to resolve such disputes. High costs and long time delays are avoided. The procedure may be held in any site convenient to all parties. There is no need for extensive legal procedures since rules and procedures governing courtroom litigation are inapplicable. Arbitration has proved sucessful in several different programs for the past 40 years, and I believe will be most effective in the HMO and HSO setting.

Litigation of medical malpractice claims has not been an effective method to monitor quality health care standards in the past. Arbitration as conceived in this bill would be a most important monitor of health care practice. Arbitration is under the aegis of the Commission on quality health care assurance and is closely related to the functions of the Commission. The Commission will use the findings in settlement and arbitration proceedings to evaluate health care and provide data for establishing criteria and standards for quality health care. Because arbitration findings are to be used for developing such standards which ultimately will be incorporated in the criteria for certification, it is most important that providers be certified in order to participate in arbitration. With certification, arbitration information will be an important feedback mechanism to the providers.

Arbitration will not only provide an expeditious method for the resolution of malpractice disputes, but will also be an important means to assess and improve the quality of health care. In such a context the provider of care should be certified by the Commission so that arbitration will be an effective mechanism for insuring better medical care.

The provision to limit attorney's contingency fees merits strong support, for it is crucial to counter the escalating costs of medical malpractice disputes and their settlement. I believe limitation of contingency fees is most appropriate in the arbitration setting since the need for extensive pretrial preparation for litigation in the courtroom is avoided.

The Commission on Quality Health Care Assurance shall be responsible for monitoring all findings of the arbitration proceeding and the corresponding contingent fee arrangements of the attorneys and and their clients. An excellent opportunity is provided the Commission to evaluate the entire process and establish important criteria and standards in this area. Because the Commission shall have such an important role under this provision, it is most important that arbitration and the limitation of contingency fees be available only to those providers of care who have obtained a certificate of compliance from the Commission. These provisions are closely related to issues of quality health care and programs to be provided only to those who have obtained the certificate of compliance.

Mr. President, as a complement to the arbitration and contingent fee limitations provisions in this bill and to assure a measure of stability in medical malpractice insurance, I strongly support the provision for a Federal medical malpractice reinsurance program.

This program responds to the serious need for stability in medical malpractice insurance which has lacked a strong base of back-up support in the reinsurance area. Lack of such support has been a significant factor in cancellation of medical malpractice insurance policies for entire States and localities as well as to individual practitioners. By establishing a Federal reinsurance program of support and controls, the result should be stability and reduced costs for the provider of care.

To obtain the benefits of this reinsurance program, the provider of care must obtain a certificate of compliance from the Commission which is responsible for administering this program. I strongly support this precedent condition or certification, for I do not believe this program should be available to those providers who may not be meeting the quality health care standards promulgated by the Commission. I believe it is most reasonable that all providers, from the individual practitioner to the HMO or HSO, be eligible for such reinsurance protection by simply obtaining certification.

Mr. President, arbitration, the limitation of contingency fees and the reinsurance program as provided in this bill merit strong support to implement reform in a vital health care. Under the supervision of the Commission on quality health care assurance, these measures would not only significantly improve an area of critical concern to providers of care and patients, but also establish the wherewithal to monitor health care standards. Certification as a condition precedent for the provider of care to qualify for such programs is eminently fair and reasonable. I believe providers of care will welcome the evaluation provided by the Commission as vital assistance in developing and maintaining high standards of health care, which is a goal we all share.

Mr. DOMINICK. Mr. President the Senator from Massachusetts (Mr. KENNEDY) and I have been arguing about this bill for some time. I think that some comments at this point would be in order.

Mr. President, when the HMO bill (S. 3327) was reported out of committee last year, I wrote individual views expressing in some detail my concerns with the approach that bill took. While this bill has been altered somewhat—pursuant to amendments I offered on the floor last year and in committee this year, and the Senator from Massachusetts has been most kind in accepting a number of them—its basic approach has not been significantly changed. Accordingly, my concerns remain essentially the same. I still feel this bill represents an attempt to promote one narrow form of health care delivery—closed-panel group practice—and that it would therefore limit the HMO concept's potential for improving our health care delivery system. I still think it is a mistake to encourage the development of delivery mechanisms which can never be economically viable without continuing federal subsidies. And, I still believe the authorization levels are unrealistically high.

For those reasons I will be offering a substitute and some amendments as we get along in the afternoon and hopefully will get the opinion of the Senate as a whole on the points I am making.

The major criticism of medical care in the United States is that good care is not accessible to everyone. There is no question that our superior medical technology gives us the ability to provide the best medical services in the world. But due to high costs and uneven distribution of medical resources and manpower, these services are not available to everyone.

Many have proposed the "health main-

tenance organization" concept as a way to solve these problems by bringing more organization into the delivery of medical care. The essential elements of the HMO concept are: first, provision of comprehensive medical services—including as a minimum, basic physician care, hospital care, and emergency care; second, to a defined enrolled population; third, on a prepayment rather than a fee-for-service basis.

A wide variety of organizations can meet the essential elements of the HMO concept. They can be divided into two broad categories: first, closed panel group practices, where the physicians providing HMO services practice in a single facility, the prototype for which is the Kaiser-Permanente plan which grew up on the west coast; and, second, individual practice organizations, where the physician providing HMO services continue to practice in individual settings. Foundations for medical care are one example of individual practice type organizations.

Both of these, it seems to me, will substantially try to meet the need. However, both of them should be thoroughly studied so that we have some idea where we are before we start to empty the Treasury on an endless basis for this purpose.

Under an HMO arrangement, instead of going to a different physician and paying a separate fee for each type of medical service rendered, a patient can pay a fixed monthly premium and go to one group of physicians for all of his care. The HMO assumes responsibility for providing comprehensive services to each of its enrollees, even if the cost of such services for a given period of time exceeds the premiums paid in. The theory is that the necessity of staying within a predetermined budget gives the HMO's physician members economic incentives to keep the enrolled population healthy in order to avoid expensive hospital care. Further economies are expected to be achieved by eliminating unnecessary duplication of expensive medical equipment. It is believed that the increased efficiency of this system of delivering medical care will make it possible for fewer physicians to meet the needs of a given enrolled population than are necessary under the less organized fee-for-service system.

I believe the health maintenance organization concept has considerable promise, and I believe it merits Federal assistance. But I think it is important to keep two things in mind. First, it is a broad concept which encompasses a wide range of possibilities for methods of delivering medical care. Second, it is still an experimental concept. Only a few so-called HMO "prototypes" are operating at the present time. Accordingly, many of the claims made in support of the HMO concept have not yet been proven; and we clearly do not have enough experience with different types of HMO's to make an intelligent decision as to which is best. I believe, therefore, that Federal funds should be used to stimulate innovation in developing the HMO concept rather than for full-scale promotion of one specific type of HMO.

S. 14 as reported is an effort to promote one specific type of HMO—closed panel group practice. Title I would authorize $430 million for development of HMO's in urban areas. Most of these funds—82.5 percent—would be reserved for closed panel group practices meeting a very rigid definition of HMO. Only 20 of the 85 existing groups which provide more than 50 percent of their care on a prepayment basis would qualify structurally as HMO's under this definition.

The remaining funds appropriated under title I would be available to "Supplemental HMO's," which are defined more flexibly, so that individual practice as well as closed panel type HMO's could qualify. In addition to branding individual practice type HMO's as inferior, this would limit the potential for innovation in developing improved methods of health care delivery.

Beyond its inflexibility, I think the administrative complexity of this bill would reduce its effectiveness. Planning, developmental, construction, and operational support would be channeled through three separate funding categories to "HMO's," "Supplemental HMO's," and "Health Service Organization," each of which would be required to satisfy different criteria. I think this is a mistake. It insures that a substantial proportion of the funds spent for these purposes will be wasted on administrative costs. In order to maximize the impact of scarce Federal dollars, we should have one flexible definition of HMO.

I strongly believe that legislation to support development of HMO's should be based on the premise that after a limited period of Federal assistance, any given HMO will be economically viable—able to deliver medical services competitively without a continuing Government subsidy. This bill takes exactly the opposite approach. It is based on the premise that Federal subsidies will be available permanently.

In addition to $645 million authorized under titles I and II for planning, development and construction of HMO's, as well as subsidization of operating deficits during their first 3 years of operation, title III authorizes $440 million over the first 3 years to subsidize premium costs for HMO enrollees. Each HMO would be eligible for annual grants in amounts up to 25 percent of its total premium receipts in the preceding year. HMO's with a disproportionate number of "high risk" enrollees would be eligible for additional grants in whatever amounts would be necessary to avoid increasing premium rates. It does not make any difference whether these subsidies are called "capitation grants," "premium subsidies," or "open enrollment subsidies." They are direct payments by the Federal Government for the premiums of HMO enrollees—including those who are not poor.

These massive Federal subsidies are made necessary by the broad range of services which each HMO would be required to make available to its enrollees at one premium rate. In addition to basic physician, hospital, and emergency services, the mandated benefit package would include prescription drugs, "medical social services," vision care, physical medicine, and rehabilitative services, mental health services, and treatment of alcoholism and drug abuse. Each HMO would also be required to provide extended care and dental services to enrollees who elect them for an additional premium. This mandated benefit package must be made available by every HMO without regard to the needs of the enrolled population.

Even HMO prototypes such as Kaiser-Permanente do not provide the range of services this bill would mandate. The result is that no HMO receiving assistance under this legislation could become economically viable. Without massive Federal subsidies, their premium rates could not be competitive with other medical plans, such as those offered by insurance companies. Although I was able to persuade the committee to place a 3-year limit on each HMO's eligibility to receive these premium subsidies, that does not do the job. So long as HMO's assisted under this bill are subject to unrealistic requirements which prevent them from being viable without Federal subsidies, Congress will have no choice but to continue the subsidies. The only alternative—permitting the entire Federal investment to go down the drain—would be unacceptable.

Aside from the substantial cost this permanent financing mechanism adds to an already extravagantly expensive bill, it amounts to piecemeal national health insurance, which should be dealt with in separate legislation. At this point, no one knows how soon a national health insurance program will be enacted, or what form it will take. It would be a mistake to look ourselves into the direct financing mechanism this bill proposed without first carefully considering its implications and all the alternatives. Moreover piecemeal national health insurance which finances only one particular type of health care delivery is unfair. By spending tax funds to subsidize premium costs for HMO enrollees—many of whom are not poor—this bill would discriminate against the vast majority of taxpaying Americans who either choose to receive their medical care from non-HMO types of providers, or who might not live where an HMO is accessible. It should be kept in mind that total present enrollment in HMO-type health plans amounts to a little over 2 percent of our population.

As introduced, S. 14 authorized $5,180,400,000 over a 3-year period. Title V, which would establish a new "National Institute for Health Care Delivery," accounted for $580,000,000 of this. Title V was reported as a separate bill. That, together with reductions in the remaining authorizations, resulted in a total authorization for S. 14 as reported of $1.5 billion.

I think that level is still unrealistic. Even if this bill were not designed to promote one specific kind of HMO, I do not think we could justify spending half a billion dollars a year. Federal funds should not be invested on anything approaching that scale until the HMO concept has been tested much more thoroughly. Moreover, it should be kept

in mind that this $1.5 billion would not be a one-time expenditure. First, due to the long lead time necessary to plan and develop HMO's, it is likely that many of the HMO's to receive startup assistance under this bill would not even become fully operational within the 3-year period it covers. Testimony in the hearing record indicates that it takes at least 3 years, $2.5 to $3 million, and 30,000 enrolees in order for a closed panel group practice-type HMO to get off the ground. The Kaiser-Permanente Group in Denver, Colo., is just beginning to approach the break-even mark—with more than 40,000 enrollees, and after investing about $5 million over a 5-year period. Those figures are based on present experience and, therefore, underestimate the difficulty of developing such HMO's under the much more stringent conditions specified in this bill. It would be difficult for the Government to discontinue assistance to any HMO grant recipient before it became operational. Second, even after HMO's assisted under this bill become operational, they would continue to be dependent on Federal subsidies. Almost half of S. 14's total $1.5 billion authorization is earmarked for such subsidies. This includes $255 million for initial operating deficits, and $440 million for premium subsidies.

The total authorization of the HMO bill which has been approved by the House Health Subcommittee—H.R. 51—is about $300 million. S. 14 could be reduced to near that level simply by removing the premium subsidies and other provisions which are not directly related to development of improved methods of health care delivery. The premium subsidies, the "Quality Health Care Commission," and the "Quality Health Care Initiative Awards" provisions account for more than half of S. 14's total $1.5 billion authorization. Improving our health care delivery system is by itself an ambitious goal. If we sincerely want to achieve it, I think provisions of this bill which are intended to do other things, such as establish a national health insurance program for HMO enrollees and a Federal agency to regulate the practice of medicine in the United States, should be stricken.

The future of the HMO concept does not necessarily hinge on the authorization levels in this bill. The Federal Government is doing quite a bit to support the development of HMO's right now. The social security amendments enacted last year make Federal financing available to HMO's through the medicare program. About 600,000 medicaid beneficiaries now have the option of enrolling in HMO's.

The Department of Health, Education, and Welfare has provided more than $20 million in planning and development assistance to 110 HMO applicants over the last 3 years. It should be noted that 14 of such HMO's have become operational with no Federal assistance beyond planning and development grants.

In fact, four of them became operational with only technical assistance from the Federal Government. I think this raises serious questions about the necessity of a grandiose Federal support scheme such as the one this bill envisions—particularly in view of the fact that Federal dollars going into such a program are Federal dollars which will not be available for other urgent needs. I am personally aware of several very worthy health projects in Colorado which have been approved but cannot be funded because of Federal budget constraints. They include important research projects, Hill-Burton hospitals in rural areas, Community Mental Health Centers, VD control clinics, and badly needed construction programs at a new dental school and the School of Veterinary Medicine. A streptococcal disease research unit in Fort Collins will be closed due to a reduction in the budget of the Center for Disease Control. I know Colorado is not unique in this regard; there must be hundreds of similar projects around the country. The point is that so long as the Federal budget has limits, there is no way we can allocate $1.5 billion out of general revenues for this HMO-national health insurance scheme without adversely affecting such projects.

While I strongly support the HMO concept and believe it merits Federal assistance, I cannot support this bill. It is unrealistic, both in terms of cost and scope. It tries to do too many things other than improve the health care delivery system. It is not really an HMO bill; less than half of the funds it authorizes would be used to help HMO's get started.

Moreover, those funds would be used mainly to promote one particular type of HMO. The development of a more efficient and accessible delivery system is in itself a formidable task for one piece of legislation. To the extent that this bill attempts to do more, its chances of achieving that goal are diminished. Its cost should be reduced to realistic levels, and its scope should be narrowed to the urgent problem of stimulating the development of improved health care delivery mechanisms which can be competitive without ongoing Federal subsidies.

Mr. President, I have introduced an amendment in the nature of a substitute for S. 14—printed amendment 113—which is addressed to the problems I have outlined. It consists of those provisions of S. 14 which are directly related to the development of health maintenance organizations. It contains no new provisions. Its total authorization is $385 million.

Title I of the substitute would authorize $385 million over a 3-year period for assistance to HMO's and supplemental HMO's as follows:

Grants for planning and feasibility studies, $45,000,000.

Grants for initial development costs, $70,000,000.

Construction grants, $85,000,000.

Construction loans, $60,000,000.

Loans for initial costs of operation, $125,000,000.

These authorization levels are identical to those in title I of S. 14 except with respect to initial operating costs. S. 14 would authorize $85 million for grants and $85 million for loans for operating deficits of HMO's during their first 3 years of operation. This substitute would authorize $125 million for loans for that purpose, but contains no such authorization for grants.

Title II consists of the "general requirements" provisions of title III of S. 14, which includes authority for loan guarantees and interest subsidies for construction, development, and initial operation of HMO's.

Now, let me just summarize briefly, Mr. President, the provisions of S. 14 not included in the substitute amendment on the ground that they are not directly related to development of HMO's:

CAPITATION GRANTS

Section 1245 of S. 14 would authorize $440 million for grants to HMO's after they become operational to subsidize the cost of premiums paid by their enrollees. As I have stated earlier, these subsidies amount to piecemeal national health insurance, and should be addressed in separate legislation. Frankly, I do not understand how members of the Finance Committee, which has jurisdiction over national health insurance legislation, can let this provision of S. 14 get by without first scrutinizing it closely.

OPERATING SUBSIDIES

Sections 1205 and 1224 of S. 14 would authorize $127.5 million for grants to HMO's and "health service organizations"—HMO's in nonmetropolitan areas—to subsidize their operating deficits during their first 3 years of operation. These subsidies are in addition to $127.5 million in direct loans, as well as loan guarantees and interest subsidies authorized by S. 14 specifically for this purpose. S. 14 also authorizes $172.5 million for grants for planning and feasibility studies and for initial development costs. All of these provisions are retained in this substitute.

Grants to subsidize operating deficits of HMO's after they become operational amount to direct financing of one particular kind of health care delivery, and are objectionable for the same reasons as are the premium subsidies authorized by this bill. Federal support for HMO's should be used to develop delivery systems which can stand on their own after they become operational. Neither the HMO bill which is pending in the House (H.R. 51), nor the administration's bill (S. 972), authorizes direct grants for initial operating costs.

QUALITY COMMISSION AND QUALITY HEALTH CARE INITIATIVE AWARDS

Title IV of S. 14 would authorize $125 million to establish a new national "Commission on Quality Health Care Assurance" which would establish and enforce "national standards and norms" for medical practice. All HMO's funded under S. 14, and all providers receiving assistance under the Public Health Service Act—for example, Hill-Burton hospitals—or the Community Mental Health Centers Act, would be required to be certified by the Commission in order to continue receiving Federal assistance.

Section 1244 of S. 14 would authorize $225 million for "Quality Health Care Initiative Awards"—annual grants to nonfederally-assisted health providers—for example, private practicing physicians—who agree to submit to the jurisdiction of the Commission.

These provisions add $350 million to the cost of this bill. They would be ongoing Federal expenditures which would increase after the Commission is fully geared up and its jurisdiction expands.

The "PSRO" provisions of the Social Security Amendments enacted last year—Public Law 92-603—will carry out on a local level many of the functions the Commission would perform on a national level. H.R. 1 provided for the establishment of a "Professional Standards Review Organization" system under which physicians organized on a State or local level are charged with the task of monitoring the cost and quality of all medical services provided under medicare and medicaid. Each PSRO will be representative of the physicians in a given geographical area, and will be responsible for setting norms or standards of practice for the area, and enforcing them through the power to withhold Federal reimbursement. This PSRO system, while established specifically for medicare and medicaid services—20 percent of annual health expenditures in the United States—will furnish a mechanism for controlling the quality of all medical care in the United States.

The locality-oriented approach of PSRO is far preferable to the uniform national standards approach of the Commission. Overly specific and universally applicable standards and norms issued by a national Commission in Washington could inhibit innovation in the development of peer review-type quality assurance systems. Moreover, the data necessary to establish national standards and norms for the quality of care admittedly are not yet available. Regulations implementing the PSRO law have not been promulgated yet. Consideration of a national Commission to control the quality of health care should be postponed until PSRO has had an opportunity to prove itself.

HEALTH SERVICE ORGANIZATION AND AREA HEALTH EDUCATION AND SERVICE CENTERS

Title II of S. 14 would authorize $215 million in developmental assistance and operating subsidies for "health service organizations" which would essentially be HMO's located in non-metropolitan areas. Title III of S. 14 authorizes $65 million for development and construction of "area health education and service centers," which would provide educational services to health service organizations.

While this substitute amendment does not retain these provisions of S. 14, it would increase the funds available under part B of title I for "supplemental HMO's," which are defined similarly to health service organizations. S. 14's authorization for HSO's under title II is one-third of the total authorization for HMO's and HSO's under titles I and II.

Accordingly, this amendment would increase the amount earmarked under title I for supplemental HMO's from 17.5 percent to 33⅓ percent.

In conclusion, Mr. President, I believe this substitute offers a realistic alternative to S. 14. It would provide substantial support for development of HMO's—at considerably higher levels than recommended in the House bill, or by the administration. It would not alter the definition of HMO contained in S. 14, or the form of developmental support available to HMO's under S. 14. What it would do is narrow the scope of S. 14 to the development of improved health care delivery systems. By doing that it would greatly enhance the possibilities of achieving that goal. Those who would attack this substitute because it removes provisions directed toward other goals have the burden of showing that such goals are more important. I am confident that that burden cannot be sustained.

TO IMPROVE HEALTH CARE SERVICES FOR AMERICANS

Mr. HUMPHREY. Mr. President, I rise in support of S. 14, the Health Maintenance Organization and Resources Act of 1973, and urge its adoption by the Senate.

I am an original sponsor of this bill because, as I have maintained over several years, the health maintenance organization represents an important new dimension that must be added to our health care system to improve substantially the delivery of services, especially where the supply of physicians and medical facilities is limited. It represents an essential supplement to the traditional solo practice of medicine with its fee-for-service method of financing. And it provides a strong incentive for a long-overdue emphasis upon preventive services to avoid the need for costly, intensive care. It provides for the provision of medical services that are comprehensive, efficient, immediately accessible, and at lower cost to the consumer participant, and for increased professional resources and improved operational systems for the participating physician.

The legislation would provide 3-year authorizations for respective programs of planning, development, construction, and initial operating-cost grants for HMO's, supplemental HMO's, and health service organizations for the development of ambulatory health care facilities, as well as additional loan and loan guarantee assistance that would also be applied to certain transportation and communications equipment costs. It would meet a critical need for professional education networks through authorizing grants and loan guarantees for university health, centers, regional medical programs, and nonprofit provider groups to develop area health education and service centers. Additional capitation grants would be authorized to assist HMO's to serve the medically indigent.

Enrollees would have a substantial policymaking role in the health maintenance organization, with the one-third representation on its policy determination board.

To assure the establishment of effective internal quality control standards by HMO's, and to promote national systems for quality health care, the bill would establish an independent Commission on Quality Health Care Assurance, in addition to preempting State legislation that would inhibit the operation of health maintenance organizations receiving assistance under this program. And to provide for an equitable and effective system to deal with medical malpractice claims with respect to health care providers approved under this program, the bill would establish an arbitration program, directly involving patients, and a Federal medical malpractice reinsurance program.

I am particularly encouraged that this bill recognizes the urgent health care problems confronting our rural areas, through its provisions under titles II and III to bring in health service organizations and to establish area health education and service centers.

Without the establishment of such systems of health care delivery, the Federal Government and the American people can only expect to continue paying the accelerating increase in health care costs. There will continue to be no competitive pressure to hold down these costs, and no options for the health care consumer to exercise any meaningful choice in obtaining services. And people will be required to continue seeking uncoordinated care from various specialists scattered over a wide geographical area, rather than have available a wide range of health care services provided by an integrated professional team at a single site.

I welcome the inclusion in the scope of services to be provided by an HMO under this bill, various home health, nutrition, and social services whose serious need I have discussed in the Senate on numerous occasions in connection with my introduction of relevant legislation. In addition, I intend to give close attention to the implementation of related services under the programs established under this legislation, including the provision of prescription drugs and the provision of vision care, whose vital need I have undertaken to address through legislation introduced to provide coverage for such services under medicare or under community programs of home health care established under a program of direct Federal grants.

I am concerned, however, that certain services would, in part, be provided on an optional basis—in particular, services in the areas of mental health and of extended care. I would urge that continuing serious attention be given to these important needs and that further action be taken in Congress to make such services fully accessible. However, the required incorporation of preventive dental services for children is an outstanding example of essential services that would be a constituent part of any HMO program.

Finally, among amendments added by the Committee on Labor and Public Welfare, that are strongly deserving of support, are provisions authorizing Federal contracts with HMO's to provide health care to Indians and to domestic agricultural migratory workers.

In a recent report to its board of sponsors, the Twin City health care development project, of Minneapolis-St. Paul, Minn.—which has been examining whether a central service mechanism can assist independent developing and operating HMO's—commented that:

The HMO . . . has excited considerable interest in the Twin City metropolitan area. This system of health care delivery in

which comprehensive, continuous health care including preventive, diagnostic, outpatient and hospital services are provided to a voluntarily enrolled consumer population in return for a fixed prepaid amount of money is proving nationwide to be an efficient and effective system. At the present time it offers a hope for reducing or containing the high cost of health care.

The report notes HMO's that have been organized in Minneapolis by physicians in group practice, and it sees this particular organizational mode as reflecting the fact that Minnesota has the highest percentage of doctors in group practice of any State in the Nation. Another type is the hospital-based HMO, of which there are two plans currently operating in St. Paul. Another form of HMO could evolve from the pilot city health center, where a neighborhood health center assumes responsibility for the surrounding populations' primary, or ambulatory, health needs.

Perhaps the best known HMO operating in the Twin City area is Group Health Plan, Inc. of St. Paul, a nonhospital based model which is a member-owned nonprofit corporation. Group Health Plan, Inc., has operated since 1957 and presently has three clinics and 55,000 members. They include city of St. Paul, State, and University of Minnesota employees as well as a number of other groups in the Twin Cities.

The Senate Committee on Labor and Public Welfare, in reporting S. 14, indicates that Group Health Plan, Inc., is a type of HMO to which priority Federal funding assistance should be directed.

All of the current health care plans in the Twin City area are nonprofit corporations as stipulated under State law. It is my understanding, however, that the possible need for enabling legislation on the further development of HMO's is currently under debate.

Mr. President, effective Federal financial assistance is required if the HMO is to become a viable alternative for the delivery of health care across America.

It should be noted that substantial reductions have been made in aggregate appropriation authorizations provided under S. 14 as introduced, with authorized funds being cut back—as well as withdrawn in the reporting of title V as a separate bill—from over $5.1 billion to $1.5 billion in the bill as reported from committee. Although this reduction will necessarily limit the scope of programs to be assisted under this bill, the present level of authorizations clearly meets the test of fiscal responsibility, in the light of further health care program priorities for which Congress must provide adequate federal financial assistance. I believe that this figure represents a minimal level if the programs launched under this bill are to have any meaningful impact in improving the Nation's health care system. The administration's proposal to provide only $60 million for this purpose, under its budget for fiscal 1974, and in connection with the legislative proposal of very limited scope which it has submitted, is totally inadequate for the accomplishment of this vital task.

Mr. President, I urge the Senate and House to expedite the early enactment of the Health Maintenance Organization and Resources Act of 1973.

Mr. TAFT. Mr. President, I call up amendment No. 119.

The ACTING PRESIDENT pro tempore. The clerk will report the amendment.

The legislative clerk read as follows:

S. 14

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Health Maintenance Organization Assistance Act of 1973'.

"AMENDMENTS TO PUBLIC HEALTH SERVICE ACT

"SEC. 2. (a) Section 1 of the Public Health Service Act is amended by striking out 'Titles I to XI' and inserting in lieu thereof 'Titles I to XII'.

"(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title XII (as in effect prior to the enactment of this Act) as title XIII and by renumbering sections 1201 through 1214 (as in effect prior to the enactment of this Act), and reference thereto, as sections 1301 thorugh 1314, respectively.

"(c) The Public Health Service Act is further amended by adding after title XI the following new title:

"'TITLE XII—ASSISTANCE TO HEALTH MAINTENANCE ORGANIZATIONS

"'CONGRESSIONAL FINDINGS

"'SEC. 1200. (a) The Congress finds that—

"'(1) the medical care system is not organized in a manner which encourages the provision of medical care at reasonable costs;

"'(2) the medical care system is oriented toward providing care once a health need has occurred rather than toward providing health maintenance and preventative health services; and

"'(3) there is a serious maldistribution of medical care resources which has resulted in inadequate access to medical care in both inner city and rural areas.

"'(b) The purpose of this title is to assist in remedying these deficiencies through encouraging the establishment and utilization of health maintenance organizations, particularly in medically underserved areas. This purpose is to be accomplished through grants and contracts to encourage the establishment and expansion of health maintenance organizations.

"'DEFINITIONS

"'SEC. 1201. For the purposes of this title—

"'(1) the term "health maintenance organization" means a public or private organization which—

"'(A) provides to enrolled participants, either directly or through arrangements with others, at least those physician, hospital, and health maintenance services determined by the Secretary to be necessary for the provision of comprehensive health care and generally available on an insured or prepaid basis in the locality served by the organization;

"'(B) is compensated for the provision of such services to enrolled participants solely on a predetermined periodic rate basis except for such copayments by participants as the Secretary may, by regulation, authorize; and

"'(C) meets such requirements concerning its organizational structure and financial arrangements as the Secretary may, by regulation, prescribe for the purpose of assuring that—

"'(i) the organization bears the responsibility for the efficient and effective utilization of health care resources to meet the health care needs to participants,

"'(ii) the individuals, groups, and institutions within the organization or cooperating with it in the provision of health care services to participants share in that responsibility, and

"'(iii) the organization provides clearly identifiable focal points of responsibility for the performance of all managerial, administrative, and service functions;

"'(2) the term "medically underserved area" means an area designated by the Secretary, after consideration of the recommendations (if any) of the appropriate State comprehensive health planning agency (designated by the State as required by section 314(a)(2)(A)) and the local area health planning agency (if any), as an area with a shortage of health services;

"'(3) the term "local area health planning agency" means the agency or organization responsible for the comprehensive regional, metropolitan area, or other local area plan or plans referred to in section 314(b) and covering the area in which the health maintenance organizatiton operates or proposes to operate, or, if there is no such agency, such other public or nonprofit private agency or organization (if any) as performs, as determined in accordance with criteria included in regulations, similar functions.

"'GRANTS TO AND CONTRACTS WITH HEALTH MAINTENANCE ORGANIZATIONS

"'SEC. 1202. (a) The Secretary is authorized, during the period beginning July 1, 1973, and ending with close of June 30, 1978, to make grants to any public or nonprofit private health maintenance organization, and to any public or nonprofit private entity intending to become a health maintenance organization, and to enter into contracts with any health maintenance organization or any entity intending to become a health maintenance organization, to—

"'(1) assist it in planning for the development or expansion of a health maintenance organization, and

"'(2) pay all or part of its initial operating costs incurred as a result of its operation in or expansion into a medically underserved area.

"'(b) No grant or contract may be made or entered into under subsection (a) unless the applicant for such grant or contract has provided assurances satisfactory to the Secretary that—

"'(1) it intends to form, create, or expand a health maintenance organization, if the application is for a grant or contract under clause (1) of subsection (a); and

"'(2) it intends to operate in a medically underserved area, if the application is for a grant or contract under clause (2) of subsection (a).

"'(c) A grant or contract pursuant to clause (1) or (2) of subsection (a) may not provide the assistance described therein for more than two years in the case of clause (1) or three years in the case of clause (2).

"'(d) In making grants and entering into contracts under clause (1) of subsection (a) the Secretary shall give priority to those applicants which will provide new or expanded health services to medically underserved areas.

"'GENERAL CONDITIONS

"'SEC. 1203. No grant or contract may be made or entered into under this title unless—

"'(1) the applicant provides assurances satisfactory to the Secretary that, at the time of its application or at such time thereafter as the Secretary may specify, it (A) meets or will meet such standards of financial responsibility as the Secretary may by regulation provide; (B) has or will have the capability to provide prompt, efficient, and economical comprehensive health care services, including institutional services, which meet quality standards established by it in accordance with regulations of the Secre-

tary; and (C) has or will have a governing board which includes members who (i) have no financial interest in the organization other than as enrolled participants, (ii) are not receiving compensation for the provision of goods or services to the organization other than reasonable compensation for service as members of the governing board, and (iii) are neither employed by, nor members of the immediate family of, persons who have such an interest or are receiving such prohibited compensation;

(2) the State comprehensive health planning agency (referred to in section 1201(2)) and the local area health planning agency (if any) have had an opportunity to comment upon the application in a manner prescribed by the Secretary; and

(3) the applicant agrees to keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may find necessary for purposes of this title.

JOINT FUNDING

"'SEC. 1204. Pursuant to regulations prescribed by the President, where funds are advanced for a single project or program by more than one Federal agency to an organization assisted under this title, any one Federal agency may be designated to act for all in administering the funds advanced. In such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency, and any such agency may waive any technical grant or contract requirement (as defined by such regulations) which is inconsistent with the similar requirements of the administering agency or which the administering agency does not impose.

"'WAIVER OF CONTRACT LIMITATIONS

"'SEC. 1205. Whenever the Secretary determines it to be in furtherance of the purpose of this title, contracts authorized under this title may be made, performed, amended, or modified without regard to such provisions of law or other regulations relating to contracts of the United States as the Secretary may specify.

"'AVAILABILITY OF APPROPRIATIONS

"'SEC. 1206. Sums appropriated for any fiscal year ending prior to July 1, 1977, for grants or contracts under this title shall remain available for obligation until the end of the fiscal year following such fiscal year.'

"SERVICES FOR INDIANS

"SEC. 3. Section 1 of the Act of August 5, 1954 (42 U.S.C. 2001), is amended by inserting '(a)' before 'All functions' and by adding at the end thereof the following new subsection:

"'(b) In carrying out his functions, responsibilities, authorities, and duties under this Act, the Secretary is authorized, with the consent of the Indian people served, to contract with private or other non-Federal health agencies or organizations for the provision of health services to such people on a fee-for-service, prepayment, or other basis.'."

Amend the title so as to read: "A bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, and for other purposes."

Mr. TAFT. Mr. President, I have called up my amendment No. 119 in the nature of a substitute to S. 14, a bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations, health care resources, and the establishment of a quality health care commission, and for other purposes—a bill which, in the committee version, seems to me to go far beyond the limits of what we presently know about this particular form of health care delivery and about the current state of quality in health care generally.

The problem we face in this Congress and in succeeding Congresses—and I hope that we can do something to solve this problem—is the problem of improving health care delivery services and making them available at a reasonable cost to all Americans who need them.

However, it seems to me that HMO is not the only method. I suggest, as I did in the committee, that with the experience we have had to date, we should have a pilot program dealing with HMO's.

I believe that the bill in its present form has structural requirements which are too rigid.

Its structural requirements are too rigid; it contains a multiplicity of redundant authorities; and it inappropriately proposes a vast regulatory system to to monitor the quality of medical care in health maintenance organizations.

It is unreasonable to expect that throughout a nation of diverse geographies, peoples and life styes—all communities interested in developing health maintenance organizations will want to follow an identical model. Practically, that is what this bill does.

The bill carries a pricetag of $1.5 billion, the payment of which cannot be met without the curtailment of other priority on-going programs.

I would suggest, too, that inevitably, I believe, in any subsidy of this size going into this area, we are going to be providing health care not only to the many who need it, for whom we want to provide the best possible health care services, but also to literally millions of other Americans who are quite willing and able to take care of their own medical needs, if not directly under the Kaiser plan and other plans, without the subsidy of medicare or medicaid in a direct way. I think there is ample testimony to that fact.

I think we all recognize, when we go into a $1.5 billion figure, that inevitably the benefits of the programs are going to go to many who, as I say, are not asking for it and do not desire it.

I agree that the HMO is a method for financing and providing health care that has won growing respect. It brings together into a single organization the physicians, the hospital, the laboratory and the clinic, so that patients can get the right care at the right moment. However, while it is clearly a new and useful health care approach for certain needs, it is just as clearly not the answer to all health care problems. It may even create a number of new ones.

I am not against experimentation and, the offering of this substitute amendment is not due to any lack of support for or interest in trying out the concept of health maintenance organizations. However, I do think it would be utter folly to proceed with a measure like S. 14 which implies that the case for health maintenance organizations is already established and almost exclusively provided as a remedy for our health care delivery problems.

The fact of the matter is that HMO's developed to date have moved with little or no Federal support other than medicare/medicaid. If we suddenly recommit the mistake of so many other Federal help programs—massive category bid—it will force the development of HMO's and health care delivery generally into a mold formed by a bureaucrat in Washington on his best guess of a pattern that might fit some special situation he is aware of, but likely little related to the problems of or opportunities in many other areas. We would be unduly hasty and most unwise to propagate by legislation a remedy for health care which has not yet passed any of the necessary tests. Before we even have a chance to get the test models off the ground, it is now proposed to fly with a whole fleet of HMO's.

I think in this area, as we have now come to realize in the area of defense procurement, we should adopt a fly-before-you-buy approach.

The results of developing HMO's with a wide variety of organizational configurations and sponsors to serve many contrasting geographical areas, need to be more widely demonstrated, and that, Mr. President, is an important supporting factor for my amendment. This amendment is designed to carry out the President's recommendations for a Federal program to assist in demonstrating the feasibility of health maintenance organizations as a part of our health care delivery system. It is identical to the administration's bill, S. 972.

In summary, this amendment would: First, establish a demonstration program assistance to public and private organizations to plan, develop and expand health maintenance organizations during the next 5 fiscal years.

The OEO, in its health services office, has been doing this, I find, in a number of programs, and presumably this office would take over from HEW in providing services in that connection.

Second, it would provide assistance in the form of grants and contracts for planning costs, with priority for medically underserved areas, as well as provide grants and contracts for costs of initial operation in medically underserved areas.

Third, it requires review of and opportunity to comment on applications by State and local health planning authorities.

Fourth, it authorizes joint funding for all Federal assistance to any health maintenance organization, with authority to waive normal contracting procedures if necessary; and

Finally, the Secretary of Health, Education, and Welfare would be authorized to carry out his responsibilities related to the provision of health care to Indians by contracting with health maintenance organizations.

The budget contains some $60 million to carry out these provision in fiscal year 1974.

I believe this amount can be used, and used wisely, and we can avoid a great deal of waste and perhaps a great deal of lost time in this direction by adopting this amendment, rather than

maintaining a program in areas that are, in many ways, yet untried.

This seems to me a more reasoned approach than the bill reported from committee. As yet, we do not have ample experience to assess the impact and future viability of HMO's and any legislation to implement fully a concept which is still in the demonstration stage, would be unwise and premature.

Mr. KENNEDY. Mr. President, the subcommittee considered this proposal in its deliberations, and voted overwhelmingly against it. The full committee also had an opportunity to consider it, and rejected the proposal, and I think wisely so.

There are a number of very troublesome aspects to the proposal in the Senator's amendment, which I shall develop through colloquy with the distinguished Senator from Ohio. The most troublesome aspect of the amendment is that it represents a very broad granting of authority and power to the Secretary of Health, Education, and Welfare to set up entities which are not described, or defined within the amendment, and we would be doing it with taxpayers' funds, without any kind of assurance that we are going to develop, more effective or more efficient means of providing for the delivery of health care. I am not prepared to be one of those who would give absolute carte blanche to the Secretary of Health, Education, and Welfare, with the power and responsibility, in effect, to sign whatever agreement or contract may come before him under the vague, general definition of a health maintenance organization.

If we are going to commit taxpayers' funds here in Congress, it ought to be for very carefully prescribed functions, and certainly this amendment does do that.

Let me ask the Senator from Ohio if there is any authorization in his amendment.

Mr. TAFT. I would reply to the Senator that there is an authorization of $60 million for the first year.

Mr. KENNEDY. Could the Senator be somewhat more specific, and tell me, in the amendment we are now considering, what particular provision he refers to, that mentions the $60 million figure?

Mr. TAFT. There is not any authorization in the bill at the present time.

Mr. KENNEDY. There is no authorization at the present time?

Mr. TAFT. However, it is in the President's budget in this amount.

Mr. KENNEDY. It is in the President's budget. So we are, in effect, under the language of the amendment, providing such sums as may be appropriated. We are giving, in effect, a blank check to the President.

The Senator has indicated, as the sponsor of the amendment, that he had hoped the $60 million would be the figure which would be approved, but there is nothing in the legislation that would provide any kind of ceiling whatsoever in terms of the authorization.

Mr. TAFT. I would be glad to join the Senator in offering such an amendment, if he desires to offer one in that amount. I just point out that the $60 million is the authorization that there would be under the budget, compared with $1.5 billion, which I am sure that to any administrator under any program would mean he had absolute discretion to use at least $60 million in any direction he wanted to go.

Mr. KENNEDY. Does the Senator, in his amendment, find any provision defining how much of that $60 million would be used for loans or grants, or are we leaving that up to the discretion of the Secretary?

Mr. TAFT. I would represent to the Senator that this program of $60 million, as I think I have amply shown, is in the nature of a pilot program. Without giving broad discretion to the Secretary to make broad determinations as to which alternatives ought to be followed by the Secretary to see which programs do the best work, I do not see how we will ever come out with a program under which we could sensibly spend the kind of sums the Senator from Massachusetts is proposing to spend.

Mr. KENNEDY. With all due respect to my colleague from Ohio, we have tried in the pending bill to define the particular categories; that is, how much will be for construction, how much will be for loans, how much will be for initial development, and how much will be for planning. Here we will be giving an effective blank check to the Secretary. If it is $60 million, it is not indicated in the Senator's amendment that it is $60 million. He indicates that he is prepared to amend it. I have a series of questions, and if the Senator at the end of it wants to offer another substitute or another amendment to handle each or all of these, then we could consider that matter here.

Mr. TAFT. The authorizations in the particular programs under the Senator's bill are of such amounts, in my opinion, that there is a great deal of leeway in them, and waste. We simply do not have, from the testimony we have had before the subcommittee or the testimony before the committee, the basis on which to make the category allocations made by the bill as it came out of the committee—no substance for making a guess. They would all be purely arbitrary guesses.

Mr. KENNEDY. The Senator may have other amendments to make to the different provisions of our legislation and we can analyze them in detail, which I am sure we will over the course, but I was asking the distinguished Senator what the authorization is because it is not in the amendment as sums designated. The Senator has indicated that under the administration's budget, there will be $60 million. There is no definition as to how much will be in the form of loans, guarantees, or allocations for the development of HMO's. It is completely left to the discretion of the Secretary of Health, Education, and Welfare.

Let us look at what the definition of HMO's is on page 3 of the Senator's amendment. I read as follows:

(A) provides to enrolled participants, either directly or through arrangements with others, at least those physician, hospital, and health maintenance services determined by the Secretary to be necessary . . .

It says, "to be determined by the Secretary."

Then there is a wide range of services, to be determined by the Secretary. In other words, the Secretary will be saying how that money will be used and how it will be allocated and what the range of services will be. That would all be determined by the Secretary of Health, Education, and Welfare.

Let us go down a little further on page 3:

* * * for the provision of comprehensive health care and generally available on an insured or prepaid basis in the locality served by the organization;

"'(B) is compensated for the provision of such services to enrolled participants solely on a predetermined periodic rate basis except for such copayments by participants as the Secretary may, by regulation, authorize; and

"'(C) meets such requirements concerning its organizational structure and financial arrangements as the Secretary may, by regulation, prescribe * * *

Then it gives the indication. So we are effectively handing over to the administration the determination of the amount of money they want to have on this. That money will eventually be actually distributed and given to the Secretary to determine the range of services, what the definition of the HMO's will be, and the financial arrangements as well as the organizational structure of HMO's to be funded in this legislation. Congress will not be saying that. It is all there on pages 3 and 4—the organizational structure, the financial arrangements, all as the Secretary of Health, Education, and Welfare wants to provide.

Then we wo over to page 5 of the amendment under the heading "Grants to and Contracts With Health Maintenance Organizations."

It states in section 1202(a):

The Secretary is authorized, during the period beginning July 1, 1973, and ending with close of June 30, 1978, to make grants to any public or nonprofit private health maintenance organization, and to any public or nonprofit private entity intending to become a health maintenance organization, . . .

If that is not the biggest door through which to drive any kind of truck, then I have never seen one. Whatever the definition of an HMO may be, that will permit the Secretary to enter into contracts with any HMO which will be defined by the Secretary of Health, Education, and Welfare. He can say anything is an HMO.

If we do not have a blank check to give to the Secretary with his definition of HMO's, we sure do in section 1202, "Grants to and Contracts With Health Maintenance Organizations."

We can continue along to "General Conditions" on page 6 of the amendment, and they will respond to the question of developing quality control standards. This is described under "General Conditions" at the bottom of page 6—

. . . it (A) meets or will meet such standards of financial responsibility as the Secretary may by regulation provide; . . .

By whom? The Secretary of Health, Education, and Welfare, of course. Again the Secretary.

So we get regulations being made by the Secretary, the definition of HMO's being made by the Secretary, the expend-

itures being made by the Secretary, and what will be funded defined by the Secretary.

The bill further requires that an HMO has or will have a governing board. Mr. President, do you think it indicates how many people will be on that governing board? We do not know. It requires members. How many members? We do not know.

It can be any number from 1 to 100. The governing board includes members, but there is no indication how many members. I guess the Secretary will decide that as well.

Then, if that is not enough of a grant of authority, it has a "joint funding" provision which, in effect, provides an absolute blank check. If we do not have enough money in HEW, then all we have to do is go over to DOD and see if they have any funds over there. Or go to any other agency because it is a joint funding provision. If I am wrong, I hope that the Senator from Ohio will correct me, but that certainly would be my interpretation of a joint funding provision.

Then the final provision—and this is a beauty, on page 8 of the amendment, entitled "Waiver of Contract Limitations," states:

> Whenever the Secretary determines it to be in furtherance of the purpose of this title, contracts authorized under this title may be made, performed, amended, or modified without regard to such provisions of law or other regulations relating to contracts of the United States as the Secretary may specify.

So if the Secretary does not have a blank check before he gets that provision, we have written it right in there, and he can do anything he wants to with that $60 million. If that is what the Senate is prepared to pass as legislation, I think it is not only an abdication of legislative responsibility, but I daresay it would give to the Secretary of Health, Education, and Welfare, whoever he may be, whether Richardson or Weinberger—whoever he may be—a blank check to do just about whatever he would like to do.

It is for these reasons, and others, that the Health Subcommittee turned down this proposal overwhelmingly.

Mr. President, at this point I do not know whether the Senator from Ohio wants to suggest the absence of a quorum in order to get more Senators into the Chamber so that he may ask for the yeas and nays on his amendment, but in the meantime, I yield the floor.

Mr. TAFT. Mr. President, the Senator from Massachusetts does not seem to understand the basic concept of the amendment or the basic differences which exist between the amendment and the bill which is proposed to come out of the committee. The bill which is proposed to come out of the committee has such provisions in it, but let me give the Senate one of them.

On page 157 of the bill, under the heading "Capitation Grants," and so forth, it states:

> There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for the fiscal year ending June 30, 1974; $50,000,000 for the fiscal year ending June 30, 1975; and $150,000,000 for the fiscal year ending June 30, 1976.

We have no basis whatsoever—absolutely no basis whatsoever, on the facts, knowing that these authorizations will be needed, or whether it will be too low or too high. This is the authority being asked, as a pig in a poke, from Congress at this point.

The reason there is no authorization specifically outlined over and beyond the budget request which is included in the $60 million figure in the amendment, in the proposal by the administration, is that it is—and I want to estimate exactly—that we should go about a pilot program sensibly and try to determine what form, or setup, or type of expenditures, or type of subsidy, will work most effectively in trying to promote the use of HMO's or other health delivery systems that are similar.

The bill assumes that we on the committee and we in Congress are all-knowing and have studied this subject and have a whole volume full of experience on which we are basing some great decision in these areas to come up with capitation grants in the first 3 years to total $440 million, along with the quality health care initiative awards, which are $225 million—and nobody knows what those are, either. This is flying completely blind, as I have indicated to the Senator in presenting this amendment.

Rather than making the mistakes that I think clearly are going to be made, he has built in the committee a basis, I suppose, for moving on to some general medical insurance program, or something of the sort, supposedly. If, somehow, the pattern we set up for HMO's does not work, if there is not a proper response, it will be said that HMO's have been tried and they are not successful in handling this problem. I think this is a lot of baloney. You have to take a look at what the record is, what has been proved, before you embark on a $1.5 billion program covering the entire area of health care in this country, if it really expanded and took the full $1.5 billion that is proposed under this amendment.

We are not ready for that yet; and the reason for the amendment is that we ought to give the broadest authority to the Secretary and those involved to try to experiment and see, on the basis of the small experience we have with HMO's to date, how we can best move into the field of effectively financing HMO's and getting them started.

The problem brought up by the Senator from Colorado, as to whether it ought to be an open or closed panel of physicians, is perhaps the first that has to be decided. If we have a closed panel, as I think would be mandated by the Senator's proposed legislation, we have not even given a shot to try the open approach, whereby an individual can go to his physician and ask for financing.

These questions are totally unresolved, and somehow we seem to direct to ourselves the decision to go ahead and spend vast sums of money, with the same mistake that has been made on many welfare programs in this country. The time to stop is now, and the time to get proper experience in this area is now; and the way to do that is to adopt this amendment.

Mr. KENNEDY. Mr. President, I say to the Senator from Ohio that I am glad to get into a position of analyzing the major proposal which is before the Senate. But he has offered an amendment, and I would think we would be talking about the particular points we have raised about his amendment. He is advocating that Members of the Senate support his amendment. I understand that we will deal with his arguments as we come into the question of defending the measure before the Senate. I wish he had responded to what is effectively a carte blanche. I think it is even worse than that.

I remind the Senator from Ohio that we had more than 40 days of hearings on this matter. If he says that he is not aware of the particular material that was developed there, I wish he had been able to become aware. All of us understand that we have many responsibilities, with an opportunity to spend some of that time as the subcommittee considered these hearings. We are all very knowledgeable and understanding of each other's responsibilities and duties, but we had more than 40 days of hearings. In the course of the afternoon, as these matters are challenged or debated, we will bring that out in the testimony we relied upon for the support of those proposals. To make a general statement that we have a massive bill and have not had hearings belies the facts.

The fact remains that we have in our proposed legislation carefully defined what an HMO is, the range of services, and the different provisions for a very specific reason, and that is the reason that the Senator from Ohio mentioned. We do not want it to be sufficiently broad and general in description so that it includes different HMO's or, as he said, whatever entity can be funded, and thereby waste the American taxpayers' funds. We are funding here health maintenance organizations that have had a trial record, some for 30 years. We have targeted the legislation so that we would not waste those funds. We have tried to narrow it as precisely as we could. If we made it general, there would be an opportunity for waste and duplication, which I do not think we are interested in.

Finally, listening to the Senator from Ohio talk about what a massive program this is, I point out that what we are talking about here is the coverage, over a 3-year period, of initially 3.5 to 4 million Americans. Just a year ago, when we had the Secretary of Health, Education, and Welfare before us, he said he wanted 80 percent of all Americans in these programs by 1980. That was the administration's spokesman who said that, when he appeared before our committee. Here we are talking about 3.5 million Americans over a 3-year period, taking us through 1976. So, measured against what the administration actually demanded of Congress last year, in the President's health message, this is an extremely modest and conservative proposal.

In the course of my opening statement, I mentioned that we passed a bill to achieve this in the amount of $5.1 billion last year—over a 3-year period. We thought there was sufficient justification

for that. We are down now to $1.5 billion. We are willing, over a 3-year period, to cut the proposal.

So I think this is consistent with what the President has outlined in his message to Congress, which our committee took seriously during the course of the past year, when we developed the legislation and passed it last year. Now we have cut it effectively about 60 percent, in an effort to act responsibly because of the various spending ceilings. Yet, what we are authorizing here amounts to 7/10 of 1 percent of what we are spending on health in this country for a particular year at the present time. It is a modest program.

Particularly for the reasons I outlined earlier about the weaknesses in the program, I hope the amendment will be defeated.

I am prepared to vote. I would be interested in learning whether the Senator desires a voice vote or a rollcall vote.

Mr. TAFT. Mr. President, I advise the Senator from Massachusetts that I know that a number of other Senators on this side of the aisle have amendments they wish to bring up which contain provisions at which I would like to take a look. I am not going to force the Senate to go to a rollcall vote on this amendment, knowing that they will be going to votes on the succeeding amendments offered by the Senator from Colorado and probably the Senator from New York.

However, before going to a voice vote, I would like to comment on a couple of points.

The Senator said that the administration hopes to have 80 percent of all Americans covered by proper health care; and certainly for those who cannot afford proper health care or do not have it available at this time, that is a goal that I am sure has not been abandoned.

The question before us that we have to decide today is whether or not we are going about the kind of exploration and investigation that is necessary in order to provide that care properly and provide it at what will be an economical and a justifiable financial basis. The goal the Senator seems to be satisfied with, of going ahead now and providing it on a mandated category type of basis of choice made by the committee to date, without any basis of experience or even a guess on the part of witnesses who came before us as to exactly what the form ought to be, seems to me not to meet that goal at all, and to be far less likely to do so because it would bring about a particular category approach and not bring about the objective that needs to be met by 1980.

Mr. President, I think the difference could be stated in this way. The Senator complains about $60 million carte blanche. I would rather have $60 million carte blanche than a $1.5 billion blue-plate special cooked up by a bunch of apprentice cooks who have just come on the line. That is what this amounts to.

Mr. KENNEDY. Mr. President, in connection with the figures, I wish to read from a white paper entitled "Toward a Comprehensive Health Policy for the 1970's," the HEW statement of goals. This is what they say:

The goals of the Administration are to develop 450 HMOs by the end of fiscal year 1973, 100 of which would serve areas with a scarcity of health care resources. By the end of fiscal year 1976, the plan calls for 1,700 HMOs with the potential of enrolling 40 million people, 10 million of whom would be in families wth incomes under $8,000 a year. By the end of the decade, the goal will be to have a sufficient number of HMOs to enroll 90 percent of the population, if they desired to enroll. Most importantly, the choice of traditional modes of care would remain.

We are talking about 200 HMOs. The administration asks for 1,700. I wish we were able to develop 1,700. It would save the consumers a lot of money. But I want to make sure Senators know it is the administration that requested and committed itself to this but it has altered or changed its position. We have difficulty knowing where they stand on some proposals.

I am reading from the administration white paper again, entitled "Toward a Comprehensive Health Policy for the 1970's":

By the end of fiscal year 1976, the plan calls for 1,700 HMOs.

The pending bill would provide 200.

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

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

The question is on agreeing to the amendment of the Senator from Ohio (Mr. TAFT) (putting the question).

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

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

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

AMENDMENT NO. 113

Mr. DOMINICK. Mr. President, I call up my amendment No. 113, which is an amendment in the nature of a substitute.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, let me just take a moment to explain the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

Amendment No. 113 is as follows:

Strike everything after the enacting clause, and in lieu thereof insert the following:

That this Act may be cited as the "Health Maintenance Organization and Resources Development Act of 1973".

SEC. 2. (a) The Congress finds that—

(1) the medical care system is not organized in a manner which encourages the provision of medical care at reasonable costs;

(2) the medical care system is oriented toward providing care once a health need has occurred rather than toward providing health maintenance and preventive health services;

(3) there is a serious maldistribution of medical care resources which has resulted in inadequate access to medical care in both inner city and rural areas.

(4) the establishment of health maintenance organizations, will aid in alleviating the serious maldistribution of health care resources which has resulted in inadequate access to medical care particularly in both inner city and rural areas, in providing health care in a more efficient and economical manner, and in reorienting the health care system toward the maintenance of health;

(5) there is a need to provide technical assistance and resources to individuals and groups, undertaking the planning, development, and initial operation of health maintenance organizations and supplemental health maintenance organizations;

(b) The purpose of this Act is to assist in remedying these deficiencies through encouraging the establishment and utilization of health maintenance organizations, particularly in medically underserved areas by improving the system for the delivery of health care through encouragement of any support for the planning, development, and initial operation of health maintenance organizations and supplemental health maintenance organizations.

SEC. 3. Nothing in this Act, or any amendment made by this Act, shall be construed to supersede any activity relating to review of the provision of health care services under (including review and assessment of quality or quantity of such services or determination or reimbursement therefor) or to the determination of eligibility of any provider, practitioner, agency, or organization to participate under any program established under the Social Security Act.

TITLE I—HEALTH MAINTENANCE ORGANIZATIONS

SEC. 101. The Public Health Service Act is amended by inserting after title XI the following new title:

"TITLE XII—HEALTH MAINTENANCE ORGANIZATIONS

"PART A—SUPPORT OF HEALTH MAINTENANCE ORGANIZATIONS

"DEFINITIONS

"SEC. 1201. For purposes of this title:

"(1) The term 'health maintenance organization' means an entity which—

"(A) provides as a minimum for all its enrollees (or subscribers) comprehensive health services (as defined in this section) which are uniformly available to all its enrollees (or subscribers) directly through its own staff and supporting resources or through a medical group or groups and such other additional services as may be required through other health delivery entities, for a fixed payment which (i) is to be paid on a periodic basis without regard to the frequency, extent, or kind of health service actually furnished to any particular enrollee; and (ii) is uniform for all its enrollees subject to rules and regulations regarding family rates:

"(B) demonstrates to the satisfaction of the Secretary ability to assure that appropriate comprehensive health services are available and accessible to all its enrollees promptly and in a manner which assures continuity;

"(C) demonstrates to the satisfaction of the Secretary financial responsibility through proof of adequate provision against the risk of insolvency;

"(D) is organized in such a manner (as prescribed by regulations of the Secretary) that assures its enrollees a substantial role

(generally defined as one-third representation in the body establishing or recommending policy) in the making of policy for the health maintenance organization, with equitable representation of enrollees from medically underserved areas, and provides meaningful procedures for hearing and resolving grievances (i) between its enrollees and the health maintenance organization (including the medical group or groups and other health delivery entities providing health services), and (ii) between the medical group or groups providing health services and other employees and the health maintenance organization;

"(E) encourages and actively provides for its enrollees (i) health education services; (ii) education in the appropriate use of health services provided; and (iii) education in the contribution the patient can make to the maintenance of his own health;

"(F) has organizational arrangements for an on-going quality assurance program which stresses health outcomes;

"(G) provides, in accordance with regulations of the Secretary (including safeguards concerning the confidentiality of the doctor-patient relationship), an effective procedure for developing, compiling, evaluating, and reporting to the Secretary, data (which the Secretary shall publish and disseminate on an annual basis) relating to (i) the cost of its operations, (ii) the patterns of utilization of its services, (iii) the availability, accessibility, and acceptability of its services, and (iv) such other matters as the Secretary may require and disclose at least annually and in a manner acceptable to the Secretary, such data to its enrollees and to the general public;

"(H) except for (i) out of area emergency care, and (ii) care reasonably valued in excess of the first $5,000 per enrollee per year, assumes direct financial responsibility, without benefit of insurance, on a prospective basis for the provision of the comprehensive health services defined in this section;

"(I) has an open enrollment period, unless a waiver has been granted under section 1249, of not less than thirty days at least once during each consecutive twelve-month period during which it accepts individuals in the order in which they apply for enrollment up to its capacity, subject to the requirements of paragraph (K);

"(J) assumes responsibility for the provisions of health care services to its enrollees (and on a reimbursable basis for short-term health care services to enrollees of any other health maintenance, or supplemental health maintenance organization who are temporarily outside the service area of the health maintenance or supplemental health maintenance organization in which they are enrolled) twenty-four hours a day, seven days a week, and for the appropriate availability of such services in emergencies;

"(K) shall enroll no more than 50 per centum of its enrollees from medically underserved areas, except in rural areas as designated by the Secretary;

"(L) provides, or makes arrangements for, continuing education for its staff;

"(M) emphasizes the use of nurse practitioners, physician's assistants, dental therapists, and other allied health personnel and to the extent practicable and consistent with good medical practice, trains and employs such personnel in the rendering of services;

"(N) provides to its enrollees as an option, for an additional premium, extended care facility services, and dental services;

"(O) may purchase on a fee-for-service basis unusual or infrequently used health care services for its enrollees;

"(P) does not refuse enrollment to or expel any person for any reason concerning his health status or requirements for the provision of health services;

"(Q) provides for the prevention, diagnosis, and medical and psychological treatment of the abuse of or addiction to alcohol and drugs either through its own facilities or existing community facilities; and

"(R) meets such other criteria for its organization and operations as the Secretary may by regulation prescribe, consistent with the provisions of this title.

"(2) The term 'comprehensive health services' means health services provided without limitation as to time or cost as follows—

"(A) physician services (including consultant and referral services);

"(B) inpatient and outpatient hospital services;

"(C) home health services;

"(D) diagnostic laboratory, and diagnostic and therapeutic radiologic services;

"(E) preventive health (including but not limited to voluntary family planning, infertility services, and preventive dental care for children) and early disease detection services;

"(F) emergency health services rendered by any provider of health care, the expense of which shall be borne by the enrollee's health maintenance, supplemental health maintenance, or health service organization;

"(G) provision of or payment for prescription drugs (with patterns of patient drug utilization under continuous surveillance, evaluation, and review by a clinical pharmacist whose duties shall include the maintenance of a drug use profile for each enrollee);

"(H) medical social services;

"(I) vision care (except for eyeglasses which shall be optional) as provided by a physician skilled in the diagnosis and treatment of diseases of the eye, or by an optometrist provided such services are within the scope of his license;

"(J) physical medicine and rehabilitative services (including physical therapy);

"(K) mental health services utilizing existing community mental health centers on a priority basis;

"(L) preventive diagnostic and medical and psychological treatment of the abuse of or addiction to alcohol and drugs; and

"(M) such other personal health services as the Secretary may determine are necessary to insure the protection, maintenance, and support of human health.

"(3) The term 'medical group' means a partnership or other association or group of health professionals of whom not less than four and at least a majority shall be persons who are licensed to practice medicine or osteopathy, and such other licensed health professionals as are necessary to provide comprehensive health services and who are eligible for assistance under this Act, in conformance with requirements promulgated under section 1302, in a State and who (A) as their principal professional activity engage in the coordinated practice of their profession as a group responsibility providing services to health maintenance or health service organization enrollees; (B) if not employees or retainees of a health maintenance organization, or health service organization, pool their income from practice as members of the group and distribute it among themselves according to a prearranged salary or drawing account plan; (C) jointly use or share medical and other records and substantial portions of major equipment and professional, technical, and administrative staff; (D) share or jointly utilize such additional health and allied health professionals, who may include but are not limited to psychologists and other mental health workers, optometrists, pharmacists, podiatrists, dental therapists, physician's assistants, nurse practitioners and nurse midwives, as are needed to provide comprehensive health services; and (E) arrange for and encourage the continuing education of their members in the field of clinical medicine and related areas.

"(4) The term 'enrollee' when used in connection with a health maintenance organization or supplemental health maintenance organization (as defined in part B) means an individual who has entered into a contractual arrangement, or on whose behalf a contractual arrangement has been entered into, with a health maintenance organization or supplemental health maintenance organization under which such organization assumes the responsibility for the provision of health services to such individual.

"(5) The term 'medically underserved area' means an urban or rural area or population group designated by the Secretary as an area or population group with a shortage of personal health services. Such a designation may be made by the Secretary only after consideration of the comments, if any, of (A) each State comprehensive health planning agency designated pursuant to section 314(a) of this Act covering, in whole or in part, such area, (B) each areawide comprehensive health planning agency designated pursuant to section 314(b) of this Act, covering, in whole or in part, such area, and (C) regional medical programs established pursuant to title IX of this Act, covering, in whole or in part, such area.

"(6) The terms 'construction' and 'cost of construction' include (A) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings, including architects' fees, and (B) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered with assistance under this title.

"(7) The term 'high-risk enrollee' means a person who is likely to utilize the services of a provider of health care more often than an actuarially determined average.

"GRANTS FOR PLANNING AND FEASIBILITY STUDIES

"SEC. 1202. (a) The Secretary may make grants, subject to the general provisions of this title, to public or private nonprofit agencies, organizations, or institutions to assist in projects for planning or studying the feasibility of developing or expanding health maintenance organizations. No project may receive more than $250,000 in grants under this section. Funds awarded under such grants shall be available for expenditure by the grantee for such period (not to exceed two years from the date of award) designated by the Secretary.

"(b) In making grants under this section the Secretary shall give priority to those applicants who give assurances that at least 30 per centum of their total enrollment shall be persons from medically underserved areas.

"(c) There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $20,000,000 for the fiscal year ending June 30, 1976.

"GRANTS FOR INITIAL DEVELOPMENT COSTS

"SEC. 1203. (a) The Secretary may make grants, subject to the general provisions of this title, to any public or private nonprofit agencies, organizations, or institutions, to assist them in meeting the costs involved in a project for the initial development of a health maintenance organization prior to its first day of operation. No project may receive more than $1,000,000 in grants under this section.

"(b) Sums awarded under such grant shall be available for expenditure by the granted for not more than three years, and shall be utilized for such purposes as may be prescribed in regulations of the Secretary, including but not limited to (1) implementation of an enrollment campaign; (2) detailed design of and arrangements for the health services to be provided; (3) development of administrative and internal organizational arrangements, including fiscal control and fund accounting procedures and the development of a capital financing program; (4) recruitment of personnel and the conduct of

personnel training activities; and (5) payment of architects' and engineers' fees.

"(c) In making grants under this section the Secretary shall give priority to those applicants who give assurances that at least 30 per centum of their total enrollment shall be persons from medically underserved areas.

"(d) There are authorized to be appropriated to carry out the provisions of this section $15,000,000 for the fiscal year ending June 30, 1974, $25,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976.

"CONSTRUCTION GRANTS

"SEC. 1204. (a) The Secretary may make grants, subject to the general provisions of this title, to assist any public or private nonprofit health maintenance organization or any public or private nonprofit agency, organization, or institution intending to become a health maintenance organization in meeting the cost of construction of facilities or portions of facilities for ambulatory care and capital investment for necessary transportation equipment, to be used by it for the provision of health services to its enrollees. The Secretary shall give special consideration to applications for grants for the acquisition or renovation of existing facilities. Except for exceptional circumstances, in which case up to 90 per centum of the cost of construction (as determined by the Secretary) may be authorized by the Secretary, no grant under this section for any project may exceed 75 per centum of the cost of construction of such project. No project may receive more than $2,500,000 in grants under this section.

"(b) In making grants under this section the Secretary shall give priority to those applicants who give assurances that at least 30 per centum of their total enrollment shall be persons from medically underserved areas.

"(c) There are authorized to be appropriated to carry out the provisions of this section $15,000,000 for the fiscal year ending June 30, 1974, $30,000,000 for the fiscal year ending June 30, 1975, and $40,000,000 for the fiscal year ending June 30, 1976.

"CONSTRUCTION LOANS

"SEC. 1205. (a) The Secretary may make loans, subject to the general provisions of this title, to any public or private nonprofit health maintenance organization, or any public or private nonprofit agency, organization, or institution intending to become a health maintenance organization, to assist it in meeting the cost of construction of facilities for ambulatory care and transportation services for the provision of health services to its enrollees. The Secretary shall give special consideration to applications for loans for the acquisition or renovation of existing facilities. No loan under this section for any project may exceed 90 per centum of the cost of construction (as determined by the Secretary) of such project.

"(b) There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976. Sums so appropriated, together with repayments of loans made under this section and any other receipts in connection with the program under this section, shall be placed in and constitute a revolving fund which shall be available to the Secretary without fiscal year limitation for use in making loans and other expenditures in the exercise of his functions under this section.

"LOANS FOR INITIAL COSTS OF OPERATION

"SEC. 1206. (a) The Secretary may make loans, subject to the general provisions of this title, to any public or private nonprofit health maintenance organization to assist it in meeting, for the period prescribed in subsection (b), a portion of its initial operating costs in excess of gross revenues determined under regulations of the Secretary.

"(b) Loans under this section for initial costs of operation may be made only for the period beginning with the first day of the first month for which such a loan is made and ending with the close of three years after such first day; and such loans with respect to any project may not exceed 60 per centum of such costs of operation, for the first year after such first day; 40 per centum of such costs for the second year after such first day; and 20 per centum of costs for the third year after such first day.

"(c) There are authorized to be appropriated to carry out the provisions of this section $5,000,000 for the fiscal year ending June 30, 1974, $45,000,000 for the fiscal year ending June 30, 1975, and ¢75,000,000 for the fiscal year ending June 30, 1976. Sums so appropriated, together with repayments of loans made under this section and any other receipts in connection with the program under this section, shall be placed in and constitute a revolving fund which shall be available to the Secretary without fiscal year limitation for use in making loans and other expenditures in the exercise of his functions under this section.

"PART B—SUPPLEMENTAL HEALTH MAINTENANCE ORGANIZATIONS

"SUPPLEMENTAL HEALTH MAINTENANCE ORGANIZATIONS

"SEC. 1207. The Secretary may make grants and loans to supplemental health maintenance organizations (as defined in section 1209) from funds appropriated pursuant to authorizations under part A of this Act for the purposes described in part A in amounts not to exceed 33⅓ per centum of the amounts appropriated under such part except that the Secretary may make such grants and loans in excess of 33⅓ per centum of such amounts from funds available during any fiscal year after all applications from qualified applicants under part A have been fully funded. Such grants and loans shall be for the same purposes, and subject to the same conditions and limitations as are applicable in the case of grants and loans to health maintenance organizations (as defined in section 1201).

"DEFINITIONS

"SEC. 1208. For the purposes of this part and part E—

"(1) The term 'supplemental health maintenance organization' means a public or private organization which—

"(A) provides, either directly or through arrangements with others, health services to individuals enrolled with such organization on a per capita prepayment basis;

"(B) provides, either directly, or through arrangements with others and through institutions, entities, and persons meeting the applicable requirements of section 1861 of the Social Security Act, all those health services which a defined population might reasonably require in order to be maintained in good health, including as a minimum emergency care, inpatient hospital and physician care, ambulatory physician care, and outpatient preventive medical services;

"(C) provides physicians' services (i) directly through physicians who are either employees or partners of such organization, or (ii) under arrangements with one or more groups of physicians (organized on a group practice or individual practice basis) under which each such group is reimbursed for its services primarily on the basis of an aggregate fixed sum or on a per capita basis, regardless of whether the individual physician members of any such group are paid on a fee-for-service or other basis;

"(D) demonstrates to the satisfaction of the Secretary proof of financial responsibility and proof of capability to provide comprehensive health care services, including institutional services, efficiently, effectively, and economically and in a manner which assures continuity;

"(E) has arrangements for assuring that the health services required by its enrollees are received promptly and appropriately and that the services which are received meet quality standards which it establishes; and

"(F) is organized in such a manner as to emphasize local initiative and consumer and community involvement in the planning, development, and operation of such supplemental health maintenance organization and seek to insure prompt response to local initiative."

TITLE II—GENERAL REQUIREMENTS

SEC. 301. The Public Health Service Act, as amended by this Act, is further amended by inserting after part B of title XII the following new parts:

"PART C—GENERAL PROVISIONS

"GRANTS AND LOANS

"SEC. 1220. (a) Any loan by the Secretary shall bear interest at a rate comparable to the current legal rate of interest prevailing with respect to loans which are guaranteed under section 1241. No payment of principal on a loan shall be required for the first five years after such loan is made.

"(b) No such loan shall be made unless—

"(1) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

"(2) the application provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project with respect to which such loan is requested.

"(c) Any such loan shall have such security, have such maturity date, be repayable in such installments, and be subject to such other terms and conditions, (including provisions for recovery in case of default) as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(d) No such loan shall have a term in excess of fifteen years.

"(e) The Secretary may, for good cause, waive any right of recovery which he has by reason of the failure of a public organization to make payment and interest on a loan under this section.

"LOAN GUARANTEES AND INTEREST SUBSIDIES

"SEC. 1221. (a) In order to assist private health maintenance organizations and supplemental health maintenance organizations (or entities intending to become either), to carry out construction projects for ambulatory care facilities and transportation services, to meet their initial development costs (for not more than three years) or to meet their cost of operation for not more than three years), the Secretary, during the period beginning Janaury 1, 1974, and ending with the close of June 30, 1976, may, in accordance with the provisions of this section, and subject to the general provisions of this Act (A) guarantee to non-Federal lenders making loans to such organizations for such purposes, payment of principal of and interest on such loans which are approved under this section, and (B) in the case of nonprofit health maintenance or supplemental health maintenance organizations, pay to the holder of such loans (and for and on behalf of the organization which received such loan) amounts sufficient (not to exceed 3 per centum per annum) to reduce the net effective interest rate otherwise payable on such loan. No loan guarantee or interest subsidy under this section may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to or be made for an amount which, when added to any grant

or other loan under this or any other law of the United States, is—

"(i) with respect to any construction, in excess of 90 per centum of the cost of such construction,

"(ii) with respect to initial development costs, in excess of 90 per centum of such costs, or

"(iii) with respect to initial operating costs, in excess of 90 per centum of such costs.

No such loan guarantee may apply to more than 90 per centum of the loss of principal and interest on the loan.

"(b) The Secretary may not approve the application of a health maintenance organization, or supplemental health maintenance organization unless—

"(1) he determines, in the case of a loan for which a guarantee or an interest subsidy payment is sought, that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States;

"(2) the term of a loan for which a guarantee and interest subsidy is sought does not exceed twenty-five years if for construction, or fifteen years if for operating costs, or such shorter period as the Secretary prescribes; and

"(3) he obtains assurances that the applicant will keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may reasonably require.

"(c) Guarantees of loan and interest subsidy payments under this section shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this section will be achieved, and, to the extent permitted by subsection (e), any of such terms and conditions may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(d) In the case of any loan guaranteed under this section, the United States shall be entitled to recover from the applicant the amount of any payments made pursuant to such guarantee unless the Secretary, for good cause, waives his right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made

"(e) Any guarantee of a loan under this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

"(f) (1) There is established in the Treasury a Health Maintenance Organization, Loan Guarantee and Interest Subsidy Fund (hereafter in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts (A) to enable him to discharge his responsibilities under guarantees issued by him under this title, and (B) for interest subsidy payments authorized by this title. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required by the fund. To the extent authorized from time to time in appropriation Acts there shall be deposited in the fund amounts received by the Secretary as interest payments or repayments of principal on loans and any other moneys, property, or assets derived by him from his operations under this title, including any moneys derived from the sale of assets.

"(2) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under this title to meet the obligations under guarantees of loans under subsection (a) or to make interest subsidy payments on such loans, he is authorized to issue to the Secretary of the Treasury 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 Secretary 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 outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that 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 and the purposes for which securities may be issued under that Act are extended to include any purchase 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 subsection. 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. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund.

"(g) (1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

"(2) In any fiscal year no loan guarantee or agreement to make interest subsidy payments may be entered into under this title if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

"(A) the principal of the loans guaranteed under this title in such fiscal year, and

"(B) the principal of the loans for which no guarantee has been made under this title and with respect to which an agreement to make interest subsidy payments is entered into under this title in such fiscal year,

to exceed the amount of grant funds obligated under this Act in such fiscal year; except that this paragraph shall not apply if the amount of grant funds obligated under this title in such fiscal year equals the sums appropriated for such fiscal year under this title.

"APPLICATION REQUIREMENTS

"SEC. 1222. (a) No grant, contract, loan, loan guarantee, or interest subsidy may be made under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, consistent with subsection (b) (1), as the Secretary shall by regulation prescribe.

"(b) (1) An application for a grant, loan, loan guarantee, or interest subsidy under this title shall include to such extent, in such manner and among such other matters as the Secretary may by regulation prescribe, satisfactory specification of the existing or anticipated (A) population group or groups to be served by the existing or proposed health maintenance organization or supplemental health maintenance organization described in the application, (B) enrollment for such organization, (C) methods, terms, and periods for the enrollment of enrollees, (D) nature and estimated costs per enrollee of the health care and educational services to be provided, (E) sources of professional services, and organizational arrangements for providing health care and educational services, (F) organizational arrangements for an ongoing quality assurance program, (G) sources of prepayment and other forms of payment for the services to be provided, (H) facilities available for and additional capital investments and sources of financing therefor, requirement to provide the level and scope of services proposed, (I) administrative, managerial, and financial arrangements and capabilities of such organization, (J) role for enrollees in the planning and policymaking for such organization, (K) grievance procedures for enrollees, staff, and employees, and (L) evaluation or evaluations of the support for and acceptance of such organization by the population to be served, the sources of operating support, and the professional groups to be involved or affected thereby. An organization making multiple applications for assistance under this title simultaneously or over the course of time shall not be required to submit duplicate or redundant information but shall be required to update the description of the existing or proposed organization in such manner and with such frequency as the Secretary may by regulation prescribe.

"(2) Upon completion of assistance under this title, the recipient of assistance shall make a full and complete report to the Secretary, in such manner as he may by regulation prescribe. Each such report shall include, among such other matters as the Secretary may by regulation prescribe, descriptions of plans, developments, and operations in those areas enumerated in paragraph (1) for specification in applications for assistance.

"(c) A health maintenance organization or supplemental health maintenance organization, receiving assistance under this title shall submit to the Secretary as a condition of its continued assistance, satisfactory assurances, in accordance with such regulations as the Secretary shall prescribe, including but not limited to the following: (1) financial responsibility, and (2) development and operation consistent with the terms of this title and the plans contained in such organization's application or applications for assistance. As used in this subsection the term 'financial responsibility' means the demonstrated capability to adequately carry out the purposes of the project for which the original assistance was made.

"(d) (1) An application for a grant, loan, loan guarantee, or interest subsidy under this title shall contain assurances satisfactory to the Secretary that the applicant will, in accordance with such criteria as the Secretary shall by regulation prescribe, enroll the maximum number of persons that its available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve; except that the applicant shall enroll no more than 50 per centum of its enrollees from medically underserved areas except in rural areas as designated by the Secretary.

"(2) No grant may be made and no loan, loan guarantee, or interest subsidy payment may be made under this title unless the applicant demonstrates to the satisfaction of the Secretary that the applicant will or has enrolled, and will maintain an enrollment of, the maximum number of persons that is available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve, except that the applicant shall enroll no more than 50 per centum of its enrollees from medically

underserved areas except in rural areas as designated by the Secretary.

"(e)(1) The Secretary may not approve an application submitted under section 1203, 1204, 1205, 1206, or 1207 unless the section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) the area to be served by the health maintenance organization, supplemental health maintenance organization, or health service organization for which such application is submitted, or if there is no such agency, the section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) such area, has, in accordance with regulations of the Secretary, been provided an opportunity to review the application and to submit to the Secretary for his consideration its recommendations respecting approval of the application. If under applicable State law such an application may not be submitted without the approval of the section 314(b) areawide health planning agency or the section 314(a) State health planning agency, the Secretary may not approve such an application unless the required approval has been obtained.

"(2) The Secretary shall by regulation establish standards and procedures for section 314(b) areawide health planning agencies and section 314(a) State health planning agencies to follow in reviewing and commenting on applications for assistance for health maintenance organizations, health service organizations, and other applicants for assistance under this Act.

"(f) If in any fiscal year there are insufficient funds available for funding of all approved applications for assistance under section 1202, 1203, 1204, 1221, 1222, 1223, or 1224 of this title, the Secretary shall, subject to the priorities in sections 1202(b), 1203(c), and 1204(c), give priority to those applicants which he determines are the most likely to be economically viable.

"EFFECT ON STATE LAW

"SEC. 1223. (a) Notwithstanding any provisions of State law which—

"(1) require approval of a health maintenance organization or supplemental health maintenance organization by a medical society;

"(2) require that physicians constitute all or a majority of the governing body of a health maintenance organization or supplemental health maintenance organization;

"(3) require that all physicians or a percentage of physicians in the local medical society be permitted to participate in rendering the services of the organization;

"(4) require that such organization submit to regulations as an insurer of health care services;

"(5) require that only unincorporated individuals or associations or partnerships may provide health care services;

"(6) prohibit advertising by a professional group for recruitment of enrollees; or

"(7) impose requirements or restrictions on a health maintenance organization or supplemental health maintenance organization in a manner, determined by the Secretary, to be incompatible with this title,

a health maintenance organization or a supplemental health maintenance organization which otherwise conforms with the laws for incorporation and laws for licensing of physicians, osteopaths, and dentists in such State shall be allowed to provide health care services in such State in accordance with the provisions of this title.

"PAYMENT OF GRANTS

"SEC. 1224. The amount of any grant under this title shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"PROHIBITION ON TRANSFER OF FUNDS

"SEC. 1225. (a) No funds appropriated pursuant to any of the preceding sections of this title shall be available for any purposes other than the purposes of the program authorized by the particular section pursuant to which such funds are appropriated.

"(b) No funds, except those appropriated under this title, shall be used for the purposes of carrying out the provisions of this title.

"(c) Only funds appropriated under titles IX and XII of this Act shall be used to initially develop, construct, and initially operate a health maintenance organization, supplemental health maintenance organization, or any other entity that provides, either directly or indirectly through arrangements with others, health care to a defined population on a prepaid basis.

"LABOR STANDARDS

"SEC. 1226. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934.

"OPEN ENROLLMENT WAIVER

"SEC. 1227. In a case where a health maintenance organization demonstrates to the satisfaction of the Secretary that it has a disproportionate share of high-risk enrollees and by maintaining open enrollment it would be required to enroll a nonrepresentative cross section of the community in which it provides services, to the extent that financing is available and people are willing to enroll, and the enrollment of such disproportionate share of high-risk enrollees will jeopardize its economic viability, the Secretary may waive such requirement for open enrollment for a period of not more than three years. A health maintenance organization may receive more than one such waiver.

"ACCESS TO RECORDS

"SEC. 1228. (a) Each recipient of Federal funds under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such funds, the total cost of the undertaking in connection with which such funds are given or used, the amount of that portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of Federal funds under this Act.

"COMPREHENSIVE SERVICES PHASE-IN

"SEC. 1229. The Secretary may grant a waiver to an applicant for assistance under this title, with respect to the provision of a specific service, required to be provided as a component of comprehensive health services where he determines that—

"(1) such service cannot be provided by the applicant solely because the required health manpower to provide such service is not available; and

"(2) the applicant has a feasible plan to provide such service at the earliest possible date, such date not to exceed three years from the date assistance under this title is first granted to such applicant.

"COMPREHENSIVE HEALTH SERVICES FOR INDIANS AND MIGRANT WORKERS

"SEC. 1230. The Secretary is authorized to contract with health maintenance organizations or supplemental health maintenance organizations to provide health services to individuals who are eligible for such services from the Indian Health Service or under section 310 of this Act.

"PART D—SPECIAL PROJECT GRANTS TO FACILITATE HEALTH SERVICES IN NONMETROPOLITAN AREAS

"SEC. 1240. The Secretary is authorized to make grants to or contracts with any public or nonprofit private entity (which otherwise may not be eligible for grants or assistance under this title) to study, initiate, and evaluate projects for the delivery, or to facilitate the delivery, in nonmetropolitan areas of comprehensive health services on a prepaid basis."

TECHNICAL AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 301. (a) Section 1 of the Public Health Service Act is amended by striking out "titles I to X" and inserting in lieu thereof "title I, II, and XIV".

(b) The Act of July 1, 1944 (58 Stat. 682), is further amended by renumbering title XII (as in effect prior to the date of enactment of this Act) as title XIV and by renumbering sections 1101 through 1114 (as in effect prior to such date) and references thereto as sections 1401 through 1414, respectively.

(c) Sections 767, 768, 769, 769A, and 769B of the Public Health Service Act (added by section 107 of Public Law 92–157) are redesignated as sections 769, 769A, 769B, 769C, and 769D, respectively.

Mr. DOMINICK. Mr. President, the amendment is, as I said when I called it up, an amendment in the nature of a substitute for the pending bill. I think Members of the Senate—I wish there were more present on the floor—could understand what we are faced with. The Senator from Ohio (Mr. TAFT) has brought up the bill which was originally proposed by the President, but it carried a $60 million budget item in it. It was not in the bill, but that was the budget recommendation. A bill has been reported by the House Health Subcommittee which provided originally for about $300 million, but which was cut back in the process of consideration by the subcommittee, to $280 million. S. 14, as it was originally presented to the committee, provided for $5.2 billion.

Mr. President, there is no way you can put $60 million, $280 million, and $5 billion together, and I pointed this out in committee rather forcibly to the members of our committee on several occasions, and between the time when the bill went from our subcommittee to the full committee, I suggested—and the Senator from Massachusetts (Mr. KENNEDY) was nice enough to accept it—that we should have the staff go over it and determine what reasonable changes could be made.

When we came to full committee the staff had suggested that we make changes to bring it down to about $2.8 billion, which is a decided improvement over $5 billion, but which still has no relationship to $280 million, nor to $60 million.

I therefore attempted to reduce it further in the full committee markup,

and we at that point got it down to $1.5 billion. That is a decided improvement over the amount proposed last year, and it is a decided improvement over the bill as it passed the Senate last year; but it is still way above the administration's bill, and the bill pending in the House.

So to those who, like myself, are interested in getting a bill enacted into law rather than using it as a flag around which to rally troops, it seems obvious that we are not going to get such a bill. We are either not going to get agreement with the House or we are not going to get it passed over a veto, and I am relatively sure of a veto as a result of the budget proposals which we have already put into legislation we have passed—some $280 billion for the next year. So even the Senate would not override the veto of a bill providing $1.5 billion.

Let us suppose we compromise with the House. What is a compromise between $280 million and $1.5 billion? It is pretty hard to get together, but let us suppose we come up with $700 million. We are still talking about 10 times more than what the administration has recommended, and certainly we are not going to get that amount of money out of the Appropriations Committee. Consequently, this is going through the usual fancy language that we do so many times in the Senate by promising, in broad, sweeping terms, that we are going to take in half the Treasury, and by so doing cure the problem.

We give rise to greater expectations than can be satisfied with the amount of money we will provide. Then they find they are not going to get the money they expected. It leaves a lot of disappointed people by leading them to expect Congress would do something that no appropriation bill will carry through on.

So I asked my staff to draft a proposal which would only—and I emphasize the word "only"—deal with the HMO's because we have a great many titles and a great many dollars in the bill which have absolutely nothing to do with, or very little to do with, HMO's.

One of the items we have, for example, is the capitation subsidy. We did get that changed in committee, on my motion. Originally the capitation subsidies went on forever, but they were limited to the 3-year period of the bill.

But I ask my colleagues, if the capitation subsidies are to be the method by which we get the HMO's together and make sure that there is a large enrollment, why in the world do we need the other parts in there to get the HMO's going just do it on the capitation subsidies?

So what we have done in the substitute is cut out all the provisions which do not deal with the HMO's.

Let me give some examples, for the purposes of the record, of what we have cut out.

Incidentally, I send to the desk two perfecting amendments, which are minor and technical in nature, but which go with the substitute, and ask that they be considered as a part of the substitute.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The modifications are as follows:

On page 17, line 18, following the period after the word, "funded", insert the following: "Not less than 50 per centum of the funds available for grants and loans to supplemental health maintenance organizations under this section shall be reserved for such organizations operating in non-metropolitan areas."

On page 11, after line 25, insert the following new paragraph:

"(8) The term 'non-metropolitan area' means an area no part of which is within an area designated as a standard metropolitan statistical area by the Office of Management and Budget, and does not contain a city whose population exceeds fifty thousand persons."

On page 8, line 18, strike the comma following the word, "maintenance", and in lieu thereof insert the word, "or"; on line 19, strike the words, "or health service".

On page 10, line 2, beginning with the word, "or", strike through the word "service", on line 3; on line 4, beginning with the word, "or", strike through the comma following the word "organization" on line 5.

On page 17, line 24, strike the letter "E", and insert in lieu thereof the letter, "C".

On page 30, line 17, strike both commas, and insert in lieu of the first comma the word, "or"; on line 18, strike the words, "or health service organization".

On page 31, line 12, beginning with the word, "health", strike through the comma.

Mr. DOMINICK. What we have done in the substitute is considerably more extensive than the Senator from Ohio (Mr. TAFT) was talking about. We are authorizing in the proposed substitute $385 million for HMO's, of which two-thirds would be used for closed panel HMO's as defined under part A of title I, and one-third would be used for supplemental HMO's under part B.

The pending bill, S. 14, has two provisions in it. The first is for closed panels HMO's. The Senator from Massachusetts (Mr. KENNEDY) was kind enough to accept an amendment which was included in the bill last year in committee and on the floor, in which 17.5 percent of that would be used for other types of HMO's.

In the process of the debate, the Senator from Massachusetts was also kind enough to accept the amendment which I offered to provide that any money not used for the closed panel HMO's could be used for the other foundation types of HMO's.

Over and over again I have heard in the process of this discusion that we need all of this money for the purpose of promoting health care delivery systems which are different from the ones we now have. Frankly, neither the closed panel nor the foundation type is new. They are being used now. As I said in my opening statement, closed panel HMO's are now in operation. Kaiser-Permanente, has been operating on the west coast since World War II.

So, what we are doing here is dealing with one type of relatively experimental group which we would like to see funded at a higher level than in the past, given some Federal assistance, but not tying it to one type of health care delivery system with too much money, the net effect of which will be that we will not have any bill at all.

In addition, we have in S. 14, as it is now put together, a thing called the Quality Health Care Commission. This has nothing to do with HMO. This is designed to develop quality standards for all doctors, whether they are in an HMO or not. In fact, the qualifications which they have to meet under quality health care standards would pretty much mean that the rural doctors who have been in family practice in particular for a great number of years would have a very hard time in qualifying and might even find that they would not even be allowed to practice.

We have been trying to get around that. However, I am not sure that we have got that done in S. 14 as reported. And since it does not have a thing specifically to do with an HMO, we have stricken that also.

Then we have stricken the so-called Quality Health Care Initiative awards of some $225 million which, again, have nothing to do with the HMO concept.

We have also stricken the direct grants for initial operating subsidies and have increased funds available for loans for that purpose.

In making these changes, we would be restricting the scope of the bill to development of HMO's so that it might be the basis of a compromise between the House and Senate. I would hope that it would. I think we need to make Federal assistance available for development of new types of delivery mechanisms. The authorization level which I have put into it is $385 million. They are identical to those in title I of S. 14, except with regard to the initial operating costs. Where S. 14 would authorize $85 million for grants and $85 million for loans, we authorize $125 million for loans only for this purpose.

Title II of the proposed substitute consists of the general requirements provisions of title III of S. 14, which includes authority for loan guarantees and interest subsidies for construction, development, and initial operation of HMO's.

The provisions of S. 14, as proposed by the committee, and the provisions here are distinguishable, as I said, by nature of the fact that I cut out title II, the quality health care Commission, and the capitation grants and the initiative awards. And it seems to me that now we are dealing with a bill which specifically directs itself to what the committee as a whole was trying to accomplish; namely, to provide Federal assistance for development of health maintenance organizations.

This will do it. It is still $100 million above what the House bill is. It is still under the committee proposal and more than six times the amount of the administration proposal.

This, however, is a far cry from the $1.5 billion which the Senator from Massachusetts, as the author of the bill, has in the bill agreed to by the committee.

I feel very strongly that we ought to be doing some of these things. We ought to give Federal assistance to make sure that health care is available. However, I do not think that we will get this done with the bill as it came out of committee.

As I have said in my minority views, that is one of the main reasons why I voted against it when it was reported out, and it is my hope that, if we can

adopt the substitute, we will be able to get some legislation eventually through and enacted into law. I do not think that we will be able to do so in any other way.

Mr. President, I am a pragmatist, but I believe very strongly in the fact that, if we try to get something through, we have to put it in a context in which it is not anathema to everybody. The $5 billion was anathema from the beginning. The $1.5 billion is a smaller hump on the camel. However, it is still awfully big. We will never get any legislation with this type of bill.

With the substitute, we have a good chance of getting something which we can live with, getting something which will be of assistance both to the proposed panel-type and to the other supplementary-type health organizations, and will start a new method of funding for quality health care acceptable to everyone—at least it would be my hope that it will be; and it is reasonable, from the evidence and the testimony we have received and from the efforts that have been made by a number of individual medical societies around the country, that I would think we would have a good start on it at this time.

Mr. President, I reserve the remainder of my time.

Mr. KENNEDY. Mr. President, as the Senator from Colorado mentioned in his opening remarks, we have been examining different parts of this legislation for a number of years, and we in the Subcommittee on Health, and the Committee on Labor and Public Welfare, and again here on the Senate floor have become fully aware of the implications of the changes advocated by the Senator from Colorado; but since we debated them fully in the course of the debate last year in some detail, I shall speak only briefly concerning them today.

We recognized, at the outset of the consideration of this legislation, that approximately 96 percent of the health care delivery in this country is done on a fee-for-service basis, and about 4 percent is done through some kind of prepaid group practice system. We virtually have a monolithic system of deliverying health care, and there are many doctors within the system who would prefer to keep it that way.

So what we are attempting to do, in a very modest way, is raise that 4 percent perhaps another 5 percent, to include some additional 5 million Americans, so that instead of the ratio being 96 to 4, it might be 90 to 10, and we will begin to create at least an alternative way and means for delivering health care in this country. What we are attempting to do with this legislation is support the development of at least some alternative, so that we will get some degree of competition within the system. This was really an important part of the basis for the development of the legislation.

The kinds of programs that we would be supporting are programs that vary from the Kaiser-Permanente type program, the Puget Sound group, the Rural Health Associates program up in Maine, to the Harvard program in Massachusetts, the Ross-Loos program in Los Angeles, or the GHA program in the District of Columbia. These programs vary as to the time they have been in existence, but for the most part are widely accepted by the subscribers themselves, and we feel that even though $1.5 billion is a great deal of money, it still, as I mentioned earlier, is a very small percentage, less than 1 percent, of the total amount that is actually expended for health care by this country every year.

Mr. DOMINICK. Mr. President, will the Senator yield at that point?

Mr. KENNEDY. I yield.

Mr. DOMINICK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOMINICK. I thank the Senator from Massachusetts.

Mr. KENNEDY. So I do feel Mr. President, that the dollar figure we are talking about in this legislation is not excessive. It is a great deal of money, but we are expending a great deal of money every year. Every consumer, every patient, is spending amounts that total billions of dollars every year, and we find the general rise in health costs exceeding all other increases; the Consumer Price Index reflects that. What we are attempting to do is attack the problem in a positive, constructive, and real way.

Addressing myself specifically to the proposal of the Senator from Colorado, I would point out, first, that it eliminates the Commission on Quality Health Care Assurance. I believe the Senator recognizes, as Congress has heretofore recognized it, the importance of developing at least some review of the quality of health care in this country.

We find that the availability of quality medical care in this Nation varies widely between various communities, and even between some of the great medical centers. So what we are trying to develop in this legislation is a Commission on Quality Health Care Assurance to collect various materials and data.

The peer review groups will be developed locally: We are not establishing an omnipotent Federal board. What we are doing is requiring that there be some quality review mechanism in every locality in this country, so that we can begin to develop some kind of quality standards, so that people will know, when they go to a doctor, that they will be able to get quality health care. I believe this is terribly important.

With some notable exceptions, in various parts of this country people cannot be assured of that now. So it seems to me imperative that we develop some form of quality control.

What we are not doing, as might be inferred from the Senator from Colorado's remarks, is require that every doctor in the country be qualified by the Commission on Quality Health Care Assurance. The program is strictly voluntary. If you are going to become a member, and participate in the Federal taxpayers' funds, however, you will be included within the general scope of the quality control mechanism. But we are not requiring that every doctor treating any patient in this country be overseen by the commission. So it is important to emphasize, at the outset, that this is a completely voluntary system.

I think a good argument can be made for improved standards in the health care field. We require conformance with standards by those who fly airplanes; they have to fly a certain number of hours every month, or have a certain number of takeoffs and landings, or lose their accreditation. Everyone who flies on airlines understands that. But we do not now require uniform standards for doctors in this country. I hope eventually we will have at least some degree of quality control which will be supported by the medical profession; but this legislation does not provide that, and anyone who supports it ought to understand that we are not requiring that under this legislation. We are requiring it for those who are going to be a part of the health maintenance organization system, or receive other assistance under the Public Health Service Act and Mental Retardation Facilities and Community Mental Health Centers Construction Act.

The Senator's amendment would also eliminate initiative awards. What is the initiative award designed to do? If an existing or proposed health maintenance organization wants to participate under the benefits of this legislation and, therefore, must have a quality control mechanism, it probably will cost them a little more in administrative expenses—perhaps 1 or 2 percent; we are leaving that open. We indicated that we thought it might be 2 percent, under earlier legislation, but we are leaving the amount open, because we did not have precise information, and we thought that in at least that one area the Secretary of Health, Education, and Welfare could determine the appropriate amount.

We are trying to offset the initial administrative cost for a health maintenance organizations when these items of additional cost are necessitated under the quality control provisions. We think that is in the public interest. When a group of doctors want to be able to join the quality care delivery system, so they can assume subscribers of that HMO that they will get high quality health care there should be a Federal carrot to help assist them to move in that direction, particularly when that delivery system may be competing with another system of delivery of health care which is not complying with requirements which are as high. That is not giving those assurances to the consuming public, certainly to the extent that there is some small administrative additional cost which I think should be underwritten by the Government itself. So we have the initiative awards, the Quality Control Commission, and we are supporting the various HMO's that have a track record of beneficial service to the people.

The clearest indication of this has been the fact that the consumers are happy. They are subscribing to the various programs, and therefore, we support them in a way which, as I mentioned earlier, is extremely modest, particularly given the kind of suggestion made by the administration in its testimony 2 years ago when, under its own proposal, there would be set up as a goal 8 times the number of HMO's we are including in this legislation. They wanted Congress to support

an effort to make it 8 times the amount actually included in here. So we are supporting a health delivery system that will be about one-eighth the goal set by the administration's program. I think that is modest.

Finally, I believe that there is already in existence under section 314 of the Public Health Service Act the authority to support new and other types of experimental programs for the delivery of health care. If it is part of the Senators from Colorado's argument that all we want is an experimental program, we already have the wherewithal under section 314 of the Public Health Service Act, and if the administration can find other kinds of delivery mechanisms, or other types of organizations which they want to support and develop, then I say that they have authority to do so.

They do not need it in this particular HMO bill. They already have it under section 314, and also 304, and 910(b) and 910(c). But section 314 provides the mechanism whereby the administration can experiment with this delivery system. Hopefully, if we are able to find a way in the next 1 or 2 years—these are different delivery mechanisms and they might have a track record. It is only a 2- or 3-year record, unlike the track record in Puget Sound of 30 years. But we will be prepared to come back and adjust and change the legislation, if experience in the future justifies that. We want some support for them. We are wide open. I certainly am, and I am certain that other members of the committee are.

I would hope that the Senator's amendment would not be accepted by the Senate.

Mr. DOMINICK. Mr. President, for the purposes of the record, I want to say a few words, but before I do so, I ask unanimous consent that Mr. John E. Hunnicutt who is an assistant of the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), be permitted to stay on the floor during debate. He has been working on this bill for the Senator.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, we talk about the cost of the quality commission, and the Senator from Massachusetts is talking about the small amount of money on the initiative awards, and the cost of the commission in the bill as presented to us, which is $125 million, and the quality initiative awards, is $225 million. So we are talking about $350 million here, no matter what anyone else may think in this body. I think that $350 million is a pretty substantial sum, in the event that this is a good bill, which provides all the quality health care and the initiative awards. So that we can always consider them separately. What I am saying is not that it is necessarily bad, but what I am saying is that it has no place in this bill. We can, by taking it out and considering it separately, bring out a separate bill to say what we want to do about it. We can cut the $350 million out of the bill right there by this method.

Now the Senator from Massachusetts (Mr. KENNEDY) has been talking about what a great job some of the closed panel HMO's have done in this country. I think that probably they have done a pretty good job. But, then, they have been in existence since World War II.

What it obviously means is that we do not need this Federal assistance in order to get them going, but that even though they have been here since World War II, they already represent, at most, some 2 percent or less of the United States population. So they certainly have not caught on as the panacea for all problems in medical care or in quality medical care.

What we are doing is saying, let us put two-thirds of that $385 million into them, which in round figures is about $300 million—a little under—and let us put the balance in the other innovative type, on the supplemental type, the ones that can work in the rural areas and the ones that can work through foundations.

One of the things that I think should be brought out here is the independent commission again, as I have said. About $350 million will be subtracted from the cost of the bill by eliminating those, which I do in my substitute, as they are not really related to the development of HMO's, which is the real problem to which the bill is addressed.

In addition, I might point out that in the social security amendments of last year, we passed a PSRO which is just beginning to operate, on which we have some responsible people who are working at the local and regional area to try to develop the type of quality standards which we would like on the various medical programs, to make sure that everyone has adequate quality care. So, why in the name of heaven do we establish a new quality control commission at a national level when we are trying to work it out at the local level, when there is decided opposition in many areas of the country even now. So it would seem to me that we should give them a chance to work before jumping in with this new commission with all kinds of new and broad authority.

The other point I wanted to mention again involves the capitation subsidies the bill authorizes. The bill as presented to the Senate would authorize $400 million, even though the quality health care deal would subsidize the cost of HMO's, supplemental HMO's, and the health service organizations. Each of these organizations would be eligible for an annual capitation grant in amounts up to 25 percent of the total premium receipts for the preceding year in order to make up the difference between its premiums and what its enrollees could afford to pay. Under the same type of provision, each organization would also be eligible for annual grants in whatever amounts would be necessary in order to avoid premium increases which would otherwise be required because it served a disproportionate number of enrollees.

My substitute would strike that.

I oppose the whole idea of it in the substitute, or the substitute amendment, for three basic reasons. It would add $440 million to the cost of the bill, almost one-third of the $1.5 billion price tag on this.

They insure that no organization funded under the bill would ever be economically viable without Federal subsidies. You could not make it economically viable. They are going to have an open enrollment period with capitation subsidies, and that means you are not going to get an economically viable health organization, be it open or closed.

So it seems to me that that provision ought to go out, no matter what happens to the subsidy. Since these subsidies are also direct payments for health care not necessarily restricted to the poor, they amount to piecemeal national health insurance.

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

Mr. DOMINICK. I yield.

Mr. TAFT. With reference to the capitation grants, I should like to raise a question with the Senator as to how he thinks these capitation grants might be set.

The proposal in the bill reads:

> The amount of such annual grants shall be equal to the difference between the maximum amount (as determined by the Secretary) an enrollee could reasonably be expected to pay toward the health maintenance supplemental health maintenance or health service organization premium and the premium for membership enrollment in such health maintenance, supplemental health maintenance, or health service organization for each such person enrolled.

There was talk earlier of a carte blanche. Apparently, this would give to the Secretary a complete carte blanche in the determination as to who he thinks should be eligible and who should not. There is no requirement that it be tied into any other standard of Federal assistance under any other category program. It really sets up another category program for subsistence so far as health care is concerned, and I think without any standards at all.

Mr. DOMINICK. The Senator, in my opinion, is totally correct.

I do not know who is going to make the determination as to what they reasonably should be expected to pay and what they can pay. So I do not know how anyone even is going to figure how much ought to be put into this. All we can say is that it is limited now by action, with the assistance of the Senator from Ohio, to 3 years, and we have limited it to 25 percent of the total premium cost. So we have those two overall tops on it. But beyond that, almost anybody could do with it whatever they wanted.

Mr. TAFT. Let us go back and talk about the quality health care initiative awards. There, again, I find:

> . . . the Commission on Quality Health Care Assurance shall be entitled to an annual payment in an amount equal to the administrative costs allowed by the Commission . . .

I have some difficulty in trying to determine how those administrative costs might be assessed. If some standards of particular training are provided for a particular doctor or a particular nurse, is this an additional salary they have to be paid? Is it part of additional administrative cost?

Mr. DOMINICK. I think the Senator brings up a good point. I cannot answer the question, because the language is wide open, and there is no way one can tell.

This is one of the reasons why, when I was making my statement, I said there may be something in the quality health care and initiative awards that may be good, but let us go over it separately and tie it down and not put it in as part of this package. My substitute would cut this out and would also cut out title II, or change it to $385 million instead of $1.5 billion.

Mr. President, if the Senator from Massachusetts is ready, I am ready to vote.

Mr. KENNEDY. Mr. President, with respect to the point about the capitation subsidy, at a time when this country has passed a national health insurance program, this provision would not be necessary or needed, either this program which provides for capitation subsidy or the open enrollment subsidies.

Let me say, as one who would defend this position that hopefully when we eliminate the financial barriers to receiving decent health care in this country, we will not need this kind of capitation subsidy or the open enrollment subsidy. Until we have that, there will continue to be the kind of people who have been described by the National Center for Health Statistics, which says that 20 percent of the people in this country have absolutely no health insurance at all.

The people we are trying to pick up under the capitation subsidy are those who are too rich to qualify for medicaid and too poor to pay for the expenses adequate health insurance. Those are the millions of working people in this country who do not qualify for medicaid and yet do not have the resources to pay the kind of premiums which would be required in a health maintenance organization. They are the ones to whom this particular provision is directed. It is a very substantial group, and for the most part it consists of working people and lower middle income people. We are trying to make sure that at least they are included. Those who are wealthy are going to be able to continue whatever system they want or be part of a health maintenance organization, and those under medicaid are going to have their particular health needs financial.

They are people who do not fall within the category of this particular part of the program. It recognizes that within this group or within other groups—perhaps elderly people—they will have additional incidents of sickness, and we want to make sure they are included. That probably will be more costly to HMO's. We provide some discretion to the Secretary of Health, Education, and Welfare so that he will be able to provide some additional resources and that the premium will not be out of line with other parts of the country. Some sections of the country might have an extremely high number of elderly people, for example, or certain parts of the country might have more of one disease than another.

Tuberculosis may be nonexistent in the Southwest and may be quite prevalent in the colder and damper climates. There is no reason why other people who subscribe to those HMO's should have to pay an additional increment. We are trying to level off that provision, and we provide the discretion to he Secretary of HEW to draw those disinctions.

Let me point out that, hopefully, when we achieve what Assistant Secretary of Health, Education, and Welfare Edwards has indicated in testimony during the hearings, and as other Senators have indicated, no matter what particular health insurance program we are going to adopt, when we eliminate the financial barriers to at least having access to the health delivery system, obviously the need for these different provisions will just disappear. They will not be necessary, and we will not have to continue them.

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

Mr. KENNEDY. I yield.

Mr. CURTIS. I was interested in what the distinguished Senator was saying about the Federal assistance to a number of people with health care—a payment in lieu or in part for bringing medical care to them. About how many people does the Senator envision will be reached by this program who are not now receiving federally subsidized medical care?

Mr. KENNEDY. Several million.

Mr. CURTIS. What would be the guidelines for determining their eligiblity?

Mr. KENNEDY. It will depend upon their location, and the availability of other resources.

Mr. CURTIS. This is to reach people who are not now eligible for medicaid. Is that correct?

Mr. KENNDEY. That is correct.

Mr. CURTIS. Now, how much income or property will they be required to have in order to participate in this program if they have too much income and assets for medicaid?

Mr. KENNEDY. Of course, the Senator understands the medicaid breakoff varies in different States.

Mr. CURTIS. My question is: If the legislation does not determine who is eligible, with whom is that authority vested?

Mr. KENNEDY. With the Secretary of Health, Education, and Welfare.

Mr. CURTIS. So the Secretary would have the authority to determine how many people would be eligible to have all or part of their health care subsidized under this HMO program.

Mr. KENNEDY. We are talking about those who would be subscribers to the health maintenance organization.

Mr. CURTIS. Yes.

Mr. KENNEDY. On a lost and dollar basis.

Mr. CURTIS. But the Senator would leave it with the Secretary of Health, Education, and Welfare to determine the income and the assets of those people who would be eligible.

Mr. KENNEDY. Yes, he would have to draw up guidelines as far as eligibility is concerned.

Mr. CURTIS. Who would draw up the guidelines?

Mr. KENNEDY. The Secretary of Health, Education, and Welfare, as it applies to these two provisions of income and capitation subsidies. As to that, the Secretary will establish guidelines, but only with regard to those particular figures.

Mr. CURTIS. Will the benefits of this program be limited to those individuals and groups now participating in an HMO program?

Mr. KENNEDY. I am sorry. I did not hear the Senator.

Mr. CURTIS. Will the benefits of this program be limited to those individuals and groups now participating?

Mr. KENNEDY. It would be those covered by the HMO.

Mr. CURTIS. I wish to call the attention of the distinguished Senator to page 5 of the report, the second paragraph on that page:

> Authorize capitation grants to enable health maintenance organizations, supplemental health maintenance organizations, and health service organizations serve medically indigent and high risk individuals in instances where all other sources of financing for such services have been utilized;

Is it my understanding that what is authorized there is assistance to that part of the population already served by an HMO, or will that subsidy be extended to all the people throughout the country if they enroll in a health maintenance organization?

Mr. KENNEDY. I understand more clearly now what the Senator is driving at. It would apply only to those within the HMO concept.

Mr. CURTIS. But it would include future subscribers as well as present.

Mr. KENNEDY. The Senator is correct. It would only apply to those who are subscribers to health maintenance or health service programs.

Mr. CURTIS. What will be the situation as to the medically indigent and high-risk individuals? Do they get a Federal subsidy if they join an HMO?

Mr. KENNEDY. Well, this assumes there is available an HMO in that particular community available to that individual.

If the Senator is asking if a person has some record of illness, he should not be barred from participating in a health maintenance organization. If he has some financial limitation—the Senator has described the case where hopefully he would also be able to subscribe to health maintenance organizations. He may very well qualify for these provisions of assistance.

Mr. CURTIS. Suppose an individual is not located anywhere near a health maintenance organization, or suppose they choose not to join. Are these benefits payable?

Mr. KENNEDY. No. The answer to that is in the negative.

Mr. CURTIS. Well, then what we have here is a Federal subsidy to a particular type of practice of medicine. Is that correct?

Mr. KENNEDY. That is correct, as far as this particular legislation is concerned. I hope a more adequate health insurance program for everyone is signed into law soon.

Mr. CURTIS. That is all. I thank the Senator.

Mr. DOMINICK. Mr. President, I have two comments I wish to make. First, on the strengthening of this health care

commission, there was disagreement, I think the record will show, between the type person I said might be covered by this and find himself in trouble, and those who would not. I want to be clear in what I said. The commission would have jurisdiction over HMO's, supplemental HMO's, and health service organizations. That is one category.

Second, all HMO's funded under S. 14 and all providers receiving assistance under the Public Health Service Act, Hill-Burton hospitals, or the Community Health Centers Act would be required to be certified by the commission in order to continue receiving Federal assistance. It strikes me that it applies to all community mental health centers.

The third category would be all providers who agree to submit to the jurisdiction of the commission. As the Senator from Massachussetts knows, every witness who testified has said that even under this bill before the Quality Health Care Commission gets going there is no HMO now in existence—including Kaiser-Permanente—there is no foundation now in existence, there is no health service organization now in existence, which could meet the requirements of this bill. So they all have to change their method of operation, even though they may have been in operation for some 30 years, in order to comply with this bill if they are going to get any assistance under the act.

It strikes me that we are going pretty far afield when we take it on ourselves to say that that is what has to be done. That is why I struck that out. I am not saying it is necessarily all bad, but I do say it ought to be considered, and I cut $350 million out of the bill.

As far as the capitation grant is concerned, I will say to the Senator from Nebraska, the fact of the matter is that if we have these capitation grants in the bill, it is going to help anybody in an HMO now or in the future regardless of whether they make $10 a week or a thousand dollars a week, because they all pay the same premium costs. To the extent that the Federal Government subsidize those costs, the rich man who takes it out gets exactly the same health care as the middle income or low income person. Consequently, we do not have any graduated series of charges, or anything like that; we have a straight subsidy. Under those circumstances, it struck me that we are going pretty far afield with respect to anything connected with the HMO's.

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

Mr. DOMINICK. I am happy to yield.

Mr. CURTIS. One of the things that disturbs the junior Senator from Nebraska is that we may, by this bill, be backing into a national health program.

Mr. DOMINICK. The Senator is absolutely correct.

Mr. CURTIS. I realize there are Members of this body, and many other people, who have valid opinions that favor at this time a national health program, but I believe that, once adopted, we should face it squarely, call it what it is, notify both the country and the Members of the Senate that it is a national health program. Does the Senator agree?

Mr. DOMINICK. I do.

Mr. CURTIS. I raise the point I am about to raise not because of any committee jealousy, but just because I believe we are running in so many different directions in our legislation relating to health programs. We have at the present time medicare for individuals of 65 years of age. We have the medicaid program for individuals without the resources to provide medical care for themselves. Both programs are far reaching and both programs are filled with problems and inequities that need attention. It strikes me that here we start out in another direction with a new program that does not take into account the needs and shortcomings and problems of the two very broad programs already mentioned. Is that correct?

Mr. DOMINICK. The Senator is right. That is why my substitute eliminates the capitation grant provision, which is the type of thing that would interfere with the medicare and medicaid type of program we were talking about, as well as eliminate the quality health care commission, which is in the bill, and affects the PSRO, which came out of the Senator's committee. It struck me that if we cut the bill from $1.5 billion to $385 million we will go a long way toward helping an innovative type program but without getting tangled up in the type of program the Senator has called attention to.

Mr. CURTIS. I commend the Senator for the work he has done on the bill. I shall certainly vote for the amendment. I shall vote for the amendment which reduces both the cost and the scope of the bill, but as for myself, I do not propose to put the Federal Government, broke as it is, into an additional health program, especially at a time when our existing health programs need so much revision. As we debate the bill now before us, there are other worthwhile research programs, such as for cancer and other diseases, that have been at a standstill for months, because they have no money.

Here we undertake to enact a new bill which, according to the distinguished Senator from Colorado, provides a capitation grant which will benefit millions of people, many of them financially able to provide their own medical care and who are not greatly in need of any Government help.

Mr. DOMINICK. I think the Senator is correct. That is why I have great difficulty in voting for any bill with a capitation grant in it.

Mr. CURTIS. I thank the Senator.

Mr. DOMINICK. My substitute does eliminate it. I appreciate the Senator's speaking out on this subject.

Mr. President, I am ready to vote.

Mr. KENNEDY. Mr. President, on the one hand, we hear from the other side of the aisle that the bill is too big. On the other side of the argument, we hear that we are not going to cover enough people. There may be a few people in rural America who are not going to be able to be covered. You cannot have it both ways. We recognize that this is only a beginning, a start. We recognize that we have accepted an amendment that is going to be limited, at least initially, to 3 years, and we hope that this will be the end of these provisions because we will have, hopefully, a national health program of some kind, whether it be the one I favor or another.

The question that should be before the Senate is whether we are going to pass legislation which will benefit the poor people, who are a great percentage of the American population. A great many of them are going to pay taxes because they are slightly above medicaid and yet cannot afford a premium of approximately $600 a year for a family of four. We should have a sound type of program.

If we accept the elimination of this particular capitation subsidy, we will see millions of working Americans who are completely out of this program.

We are dealing with a program developed with the support of the Senator from Colorado. We are trying to bring consumers into the program. We are really trying to provide a decent health quality program at a price they can afford to pay. This is part of the reason I disagree with the Senator from Nebraska on the question of striking quality control.

Most patients, I believe, who enter a hospital feel when they get there that there are people looking over all aspects and ramifications of health care. That is not so.

We are hopefully trying to do something about this with the development in Congress of the PSRO's and the Commission of Quality Health Care Assurance. I think PSRO's and the Commission are complimentary to each other.

It is important for those who read the RECORD, if they are not here, to note that on page 32 of the report, at the bottom of the page, we point out that in their still incomplete study of manpower utilization, the American College of Surgeons and the American Surgical Association have determined that 30.7 percent of all practicing surgeons in the United States are noncertified by the American Board of Surgery.

I wonder how many people who are operated on in this country know whether their surgeon is certified by the American Board of Surgery. I am not sure whether the fact that he is or is not certified means that he is a good surgeon or a bad surgeon. However, there are many gaps in this entire area. And what we are trying to do is to begin to close some of these loopholes.

This is a very, very modest beginning. However, it is an important beginning, I think, and that is why, for that reason and all the other reasons I have outlined, I would hope that the amendment as modified would be rejected.

Mr. DOMINICK. Mr. President, being the author of the amendment as modified, I think I get the last say. I will be very brief. We are not trying to do away with this. $385 million is authorized. That is $100 million in excess of what the House is talking about in the report from the House Subcommittee. It has a much more likely chance of being able to survive a conference if it has an agreed-upon amount than if it is passed in the present form.

I am not saying that the Quality Health

Care Commission is wrong. I am saying that we should take them up separately and decide for ourselves what constructions and qualifications should be put in to make it really work, if that is what we need. In the meantime, we should let the PSRO's go ahead as created in Congress last year.

Capitation grants are wrong. They benefit everyone regardless of income. It does not deal with what the income amounts are. One can get subsidization from the Federal Government, and it is a back door manner of getting health insurance.

Mr. President, for these reasons I urge the adoption of the amendment, as modified.

The PRESIDING OFFICER. The question is on agreeing to the substitute amendment of the Senator from Colorado as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD: I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from Utah (Mr. Moss), and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS), are absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "Nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Michigan (Mr. GRIFFIN) and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Virginia (Mr. SCOTT) is absent on official business.

The Senator from Arizona (Mr. GOLDWATER) is absent on official business.

If present and voting, the Senator from Texas (Mr. TOWER) would vote "Yea."

The result was announced—yeas 37, nays 50, as follows:

[No. 135 Leg.]

YEAS—37

Allen	Dole	McIntyre
Baker	Domenici	Nunn
Bartlett	Dominick	Packwood
Bellmon	Fannin	Pearson
Bennett	Fong	Proxmire
Bentsen	Gurney	Roth
Brock	Hansen	Scott, Pa.
Byrd, Harry F., Jr.	Helms	Stafford
	Hruska	Taft
Chiles	Johnston	Talmadge
Cook	Long	Thurmond
Cotton	McClellan	Young
Curtis	McClure	

NAYS—50

Aiken	Church	Huddleston
Bayh	Clark	Hughes
Beall	Eagleton	Humphrey
Bible	Fulbright	Inouye
Biden	Hart	Jackson
Brooke	Hartke	Javits
Burdick	Haskell	Kennedy
Byrd, Robert C.	Hatfield	Magnuson
Cannon	Hathaway	Mansfield
Case	Hollings	Mathias
McGee	Pastore	Sparkman
McGovern	Pell	Stevens
Metcalf	Percy	Stevenson
Mondale	Randolph	Symington
Montoya	Ribicoff	Tunney
Muskie	Saxbe	Weicker
Nelson	Schweiker	

NOT VOTING—13

Abourezk	Goldwater	Stennis
Buckley	Gravel	Tower
Cranston	Griffin	Williams
Eastland	Moss	
Ervin	Scott, Va.	

So Mr. DOMINICK's amendment, as modified, was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 110

Mr. DOMINICK. Mr. President, I call up my amendment No. 110 and ask that it be stated.

The PRESIDING OFFICER (Mr. HELMS). The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOMINICK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 156, line 18, strike through page 158, line 21.

On page 160, line 6, beginning with the word "all", strike through the word "where", on line 7.

Sections 1246, 1247, 1248, 1249, 1250, 1251, and 1252 are renumbered as section 1244, 1245, 1246, 1247, 1248, 1249, and 1250, respectively.

Mr. DOMINICK. Mr. President, if I may have the attention of the Senate, I want to say that, assuming that this is objected to by the manager of the bill, which I think it probably will be, since we have already debated it quite a while, I will be asking for the yeas and nays. I would suspect that we could get to that within a half hour—at least I would hope so. I do not anticipate taking very long. The amendment is very simple.

Mr. KENNEDY. With so many Senators in the Chamber now, would the Senator not like to ask for the yeas and nays?

Mr. DOMINICK. Yes. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, if the Senator would yield, would he consider a time limitation of one-half hour or 40 minutes?

Mr. DOMINICK. I do not think we will need it. I shall be very brief. I am not trying to extend this debate at all.

Mr. President, I say to my colleagues that this amendment, if adopted—and I sincerely hope that it will be—would cut $440 million in Federal subsidies from the bill.

What the amendment would do would be to eliminate the capitation grant. I say to my distinguished friends here, and wish to tell them again, those who were not on the floor before, what the situation is that we are facing.

We have the administration's proposal of $60 million. We have the House bill which was reported by the subcommittee with $280 million in it over a 3-year period; and we have the bill we are faced with now, with $1.5 billon in it. We are not going to be able to put together $1.5 billion. We would, with $280 million, or we are not going to get a bill at all. But if we do, it will be vetoed, and I will say that the veto would be sustained.

This, at least, would eliminate one portion of that. It will not do much without getting it down to where it is reasonable, although from $1.5 billion to $1.1 billion—a little under $1.1 billion—at least that would be of some help.

The reason I am asking for this, and the reason we do it, is simple. We are backing into national health insurance through legislation coming out of the wrong committee. It is coming out of the Committee on Labor and Public Welfare instead of the Committee on Finance.

We are providing for subsidies in this bill, in the provision I am trying to strike, up to 25 percent of the total premium costs of any HMO, just on the say so of the Secretary as to who can or cannot get enrolled, and the number of HMO's, if they decide to go into it.

So we are getting into national health insurance right off the bat, without having had any particular discussion about it, and certainly not having gotten down to the nitty gritty as to whether it should be before our committee.

I brought up two provisions last year and asked that they be referred to the Finance Committee. They were, briefly—but we never got a bill. Finally it passed, but we did not get into this too much.

This I can say to you, Mr. President, that if we go ahead and eliminate this provision, we will have a better chance to get an overall bill. For those who do not want a bill at all, this will be a good reason to vote against my amendment. But for those who would like a bill—as I would—of some kind, I would say that by voting for this amendment, we would be eliminating one of the most objectionable features of the HMO bill as now presented to us.

This particular subsidy situation accounts for about one-third of the total authorization in the bill. No organization funded under this bill would ever be economically viable without a Federal subsidy. To the extent that they can keep them down, they get Federal subsidies, or they would have to raise the overall comprehensive premiums. The net result would be that, without the subsidy, obviously they will be in trouble. So they will be greatly pressured to keep on going forever and ever. In fact, the Senator from Massachusetts has already said he hoped that it would be continued—in our previous debate it was beyond 3 years, to which it is limited now. All I can say is that if we ever hope to have something standing on its own feet to provide comprehensive health care, we have got to get rid of this provision—otherwise, we will never have one.

The third point I would make is that direct payments for health care are not restricted to the poor and those in lower incomes. I say, for this reason, that everyone who is in any HMO pays the same price. No distinction is made between the wealthy and the poor to the extent that a Federal subsidy comes in to take care of that portion of the cost not borne by the less affluent. The net result is that we get the benefit of this so they do not have to raise the premium. The result is that the wealthy profit out of it, too, those who can well afford to take care of their own situations.

National health insurance should be dealt with in separate legislation. It is not known how soon it will be enacted. The chairman of the Finance Committee is here now and is aware of the problems. I do not think that any of us know what form that might take, if it comes at all. Here we are, going into direct financing, which is another form—a back door form, if we want to put it that way—of the whole debate on national health insurance which has not occurred yet. Financing only one particular type of health care delivery is most unfair. What we are doing, if we go into the closed-panel type or the open-panel type, then we get a Federal subsidy, but if we do not do that, we do not get it at all.

So I would appeal to Senators here who are listening, to please strike this provision. At least we will have to get rid of one, which gives us some kind of reasonable chance that we might make some kind of reasonable compromise and get the bill through.

Mr. KENNEDY. Mr. President, there are two provisions involved in this amendment, the capitation subsidy and the open enrollment subsidy. Let me explain briefly.

Who are we interested in here? We are interested in the blue-collar worker, those with low incomes, those under $10,000 but yet are above medicaid eligibility. National statistics show that one-quarter of the American people do not have any health insurance at all and what the remaining 75 percent have would be grossly inadequate and would not meet the minimum requirements. We are trying to reach out to those individuals and make sure that they will be included in the HMO legislation. They are the ones paying the great percentage of taxes, no matter what figure is finally authorized or appropriated. They will be the ones earning under $10,000 who will be paying the great majority of the taxes in order to finance the program.

All we are trying to do is place a careful limitation on this program of 3 years. We also look after the chronically ill who otherwise would not be eligible so that there will be some flexibility permitted to the Secretary of Health, Education and Welfare in assuring that they will be able to get some additional kind of capitation assistance if they want to belong to a HMO.

We put a limitation of 3 years on this provision. I am not very satisfied about that. In addition, we will have to develop some kind of a means test in this over a period of time. I do not like to see a means test develop.

What we are trying to do, until we are able to get a good national health insurance program—whether it is RUSSELL LONG's health program or S. 3, or the AMA program, or the American Hospital Association program, where we will develop some kind of program over the next 3-year period that will eliminate the ability to pay as a barrier to health care—what we are trying to do in this frame of reference is to insure that people who have some resources but not adequate resources will not be eliminated from participation in health maintenance organizations. These people will be knocked out if the amendment of the Senator from Colorado is agreed to. I think they should be permitted to be included.

I am willing to let the Secretary of Health, Education, and Welfare—given the amount of money that will be appropriated—develop the regulations so that they can be included.

One thing we do not want to do here, in the development of a different health care system, is to make the people who are eligible for it only those who are financially endowed. They can get good health insurance. We are trying to recognize in our society that quality, decent health care should be made available to all the American people at a price they can afford to pay. The statistics bear out that many otherwise would not be eligible for it.

We have written into our amendment the provision that this can terminate in a 3-year period. It is a very modest figure in any event.

I think that as a concept as well as in its practical implications, it is important. Hopefully, we will maintain that provision in the legislation.

Mr. DOMINICK. Mr. President, the Senator from Massachusetts may feel that a half billion dollars is moderate, but I do not happen to think so. I surely do not think so at a time when we have already set a limit on what the overall budget can be for this year.

We have said to the President of the United States, "You can not even spend as much as you want to." Yet, here is a bill he did not want at all, and we are saying that we are going to spend $440 million on a national health insurance program which does not even funnel through the right committee and which establishes a set of subsidies which we have not gone into, as to which the Senator from Massachusetts does not even know what the income level is going to be to determine what premium they can pay, which is going to be established by a Secretary of HEW; and we do not know who that is going to be over the next 3 years. As a matter of fact, we do not know who it is going to be from week to week. [Laughter in the galleries.]

Mr. ROBERT C. BYRD. Mr. President, may we have order in the galleries and in the Senate?

The PRESIDING OFFICER. The galleries will be in order.

Mr. DOMINICK. I think we are absolutely going the wrong way if we do this. We are never going to get it in as part of an overall bill in the future. If we want to go into national health insurance, let us do it through the Committee on Finance, not through the Committee on Labor and Public Welfare.

Mr. President, I am ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), and the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from Utah (Mr. Moss) and the Senator from New Jersey (Mr. WILLIAMS) are 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 New Jersey (Mr. WILLIAMS) and the Senator from Alaska (Mr. GRAVEL) would each vote "nay."

Mr. SCOTT of Pennsylvania. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Michigan (Mr. GRIFFIN), the Senator from Wyoming (Mr. HANSEN), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Virginia (Mr. SCOTT) is absent on official business.

The Senator from Tennessee (Mr. BAKER) and the Senator from Arizona (Mr. GOLDWATER) are detained on official business.

If present and voting, the Senator from Texas (Mr. TOWER) would vote "yea."

The result was announced—yeas 37, nays 49, as follows:

[No. 136 Leg.]

YEAS—37

Allen	Dole	McIntyre
Bartlett	Domenici	Nunn
Beall	Dominick	Packwood
Bellmon	Ervin	Pearson
Bennett	Fannin	Proxmire
Bentsen	Fong	Roth
Brock	Gurney	Scott, Pa.
Byrd, Harry F., Jr.	Helms	Sparkman
Chiles	Hruska	Taft
Cook	Johnston	Talmadge
Cotton	Long	Thurmond
Curtis	McClellan	Young
	McClure	

NAYS—49

Aiken	Hathaway	Muskie
Bayh	Hollings	Nelson
Bible	Huddleston	Pastore
Biden	Hughes	Pell
Brooke	Humphrey	Percy
Burdick	Inouye	Randolph
Byrd, Robert C.	Jackson	Ribicoff
Cannon	Javits	Saxbe
Case	Kennedy	Schweiker
Church	Magnuson	Stafford
Clark	Mansfield	Stevens
Eagleton	Mathias	Stevenson
Fulbright	McGee	Symington
Hart	McGovern	Tunney
Hartke	Metcalf	Weicker
Haskell	Mondale	
Hatfield	Montoya	

NOT VOTING—14

Abourezk	Goldwater	Scott, Va.
Baker	Gravel	Stennis
Buckley	Griffin	Tower
Cranston	Hansen	Williams
Eastland	Moss	

So Mr. DOMINICK's amendment (No. 110) was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NO. 111

Mr. DOMINICK. Mr. President, I call up my amendment No. 111.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read the amendments (No. 111) as follows:

On page 156, line 1, strike through line 17.

On page 162, beginning with line 14, strike through page 196, line 10, and renumber section 401 as section 501.

On page 111, line 23, beginning with the comma following the word "arrangements", strike through the word "Act)", on line 1, page 112.

On page 112, line 2, beginning with the word "and", strike through the word "Assurance", on line 4.

On page 128, line 10, beginning with the word "in", strike through the word "Assurance", on line 11.

On page 131, page 12, beginning with the word "established", strike through the word "Assurance", on line 14; on line 16, beginning with the comma following the word "outcomes", strike through the word "Assurance, on line 19.

On page 150, line 7, beginning with the word "in", strike through the word "Assurance", on line 8.

On page 152, line 20, strike through line 8 on page 153, and redesignate subsections (g) and (h) of section 1242 as subsections (e) and (f), respectively.

On page 155, line 20, beginning with the word "or", strike through line 21.

Mr. DOMINICK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, again I will say for the benefit of my colleagues that I am not going to take very long on this amendment. It deals with the provision in the bill which is title IV, which sets up a Commission on Health Quality Care Assurance and which would have authority to promulgate and enforce national standards and norms for medical practice. The Commission would have jurisdiction over all health maintenance organizations, all supplemental health maintenance organizations, and all health service organizations funded under this bill.

It would also include all providers receiving assistance under the Public Health Service Act; in other words, any Hill-Burton assisted hospital would have to comply with the rules and regulations which the Commission would set up in the funds they were going to operate under this act in any way.

It would also cover all community mental health centers, and they would have to comply with the act.

As I have said before, and I will say again for the record, there is not a single HMO, a single hospital, a single health center anywhere in the country which complies with what I understand to be the rules and regulations established, at least in committee hearings, for the purpose of determining what quality health care might be.

It also goes to all other providers who agree to submit to the jurisdiction of the commission.

Let us take a rural doctor, just as an example, or a city doctor, for that matter, who has been in practice for perhaps 10, 15, or 20 years, who is duly licensed and everything else, but if he wants to comply with the rules and regulations of the Quality Health Care Commission in order to be eligible for initiative awards, or whatever it may be, he is going to have to go through all kinds of things which will be in direct contradiction, in many instances, to the State law under which he was licensed as a physician to begin with.

In addition to that, any group practice that wants to go together in a clinic or otherwise would have to comply with it if they wanted to provide health care to individuals and still comply with the act.

In addition, this measure would cut out the initiative awards, and the two of them together means we would have cut out of the present bill about $350 million.

I would say to my friends on the Democratic side that it must be nice to be in the majority and know they have the votes when they come into the Chamber. I have been serving in the Senate now for 11 years. I served in the House 2 years before that. I served in the State legislature for 4 years. Interestingly enough, I never served in the majority. Try and try and try again as one may to make a bad bill better so that he can have something he can live with when it finally gets into law, the minute a Member from the minority side offers an amendment, the majority says "No," whether they agree with the idea or not. I have heard it said in committee, I have heard it on the floor. I have heard Senators coming on the floor say, "I do not know what it is, but if KENNEDY is for it or DOMINICK is against it, I will vote for it." That may be good politics, but it is a poor way to enact laws when we are dealing with the health needs of everybody in the country. Why it should become a partisan situation, I do not know, but it does.

I do not think this amendment will be adopted. I thought the last one had some hope of being adopted. Everybody wants to leap into the health legislation field without knowing what it provides. Nobody knew what he was voting for when he voted for the capitation grants. Senators do not know what grants they are voting for. They do not realize we are giving help to the wealthy as well as the poor. Here we are again putting a provision in a bill at a national level which would totally gut what we did last year in establishing the PSRO under the social security amendments.

So we are saying, we do not have to worry about that any more; we are going to have a National Quality Commission which is going to establish standards for what is good care and what is not, with 11 people out of the whole United States deciding that for medical practice all over the country. It may be that Senators think that is good. I do not know whether they do, but I assure my colleagues there are those of us who do not think it is good in this bill. We ought to have extensive hearings, in any event, before we pass it in this body.

Do we not have any kind of debating situation here, where Senators will look at the merits of the question, instead of saying, "It is DOMINICK offering the amendment, and I will vote against it"? That is what most Senators are saying—not all, but most.

All I can say is that the PSRO provision of the social security amendments that we enacted last year should carry out on the local level most of the functions which this Commission is supposed to do on a national level. Why have two Commissions doing it? Why go through this rigamarole twice? We have not even gotten the PSRO off the ground yet, and yet we are supposed to review what doctors are doing to determine whether their judgments are right and whether the standards under which they are operating are going to do any good. Now we are going to start a whole new Health Care Commission.

What is it going to do? Is it going to supersede the PSRO? What are we going to tell all the doctors? That they have a standard type of practice that they must follow, and if they do anything different they are wrong? That is what it is supposed to do. It is supposed to establish national "standards and norms" for medical practice.

So what do we do when we establish this Commission? Establish national norms that inhibit development of locality-oriented quality insurance system? It seems to me that is totally wrong, and it certainly is wrong when we are trying to develop something innovative in trying to find ways to get good health care to more people.

I do not know that I need say more. I have said quite a bit about this in the process of arguing my original proposal, and it is in the RECORD, and I do not suppose I will get any more votes on this one. I will withhold further comments at this time.

Mr. KENNEDY. Mr. President, I would like to believe, contrary to the comments of the distinguished Senator from Colorado, that the reason Senators support the provisions which are in the legislation at the present time, dealing with the Commission on Quality Health Care, the assurance is that they want to do something about quality control in health in this country of ours. They recognize that when we are adding hundreds of millions of dollars to a health care system that consumers will utilize, they should at least be given the assurance that the kind of health care they are going to receive is going to be quality health care under appropriate controls.

What are some of the matters we hope to develop with quality health control? In the United States we have twice as many surgeons as they do in Great Britain. Are the people in the United States twice as healthy as they are in Great Britain, or is it that, because of the reimbursement mechanism we have developed, perhaps we are funding more surgery in this country than we should?

We do not know the answer to that.

They have not given us the answer to that.

Why are there four times as many tonsillectomies under medicaid in California than there are generally among the California population? We have half as many tonsillectomies on the people under prepaid practice in California as we do under the general population. We have four times as many tonsillectomies on children under medicaid.

That means that we have about eight times as many tonsillectomies on poor people as we do on those who are under a prepaid practice in California.

Do Senators not think we should find out why that is so? We are not doing that now. Who is paying for all the tonsillectomies in California? The taxpayers are paying for that. It might be interesting to note whether some doctors in this country are specializing in medicaid tonsillectomies, which I daresay they are. We have no way of knowing that. There are four times as many tonsillectomies in New England generally than in Liverpool, England. Does that mean that the children in our part of the country are more healthy than the others?

Mr. President, there are statistics of this kind on a wide variety and different kinds of illnesses. We are trying to develop a mechanism for gathering this kind of information, so the Congress and the American people can evaluate the situation in an informed way.

One important factor having to do with the Commission on Quality Health Care Assurance is that we will require peer review at the local level. We are not saying that they have to do it in a particular way. However, we are requiring peer review at the local level.

We will develop information concerning how many patients stay how many days in a hospital. Perhaps in one HMO a lot of people will stay in the hospitals for a longer time.

I can think of delivery systems out in California and in other parts of the country where the doctors make a killing off of the system and send people into the hospitals and keep them there or overprescribe laboratory tests, in order to increase income.

This is where the escalation of health costs are coming from, all these kinds of duplicative services given in many instances whether necessary or not.

At some point, somehow, in some way we are going to develop this kind of material, and in this way hopefully we will develop the kinds of practices and the kinds of criteria which describe the cost of health care for people in this country.

Mr. President, very briefly, there is absolutely no agency of the Government or medical profession now, which inspects the hospitals for quality control today.

The Joint Commission on Accreditation of Hospitals merely looks into how many laboratories a hospital has, how they keep their files, and whether the operating rooms are clean. There is no quality control in this country.

One would think that it would be interesting to obtain this information. If we had in the Massachusetts General Hospital some kind of peer review, they could tell us what they find out. I think that would be generally useful. The people who testified before the committee indicated that it would be useful.

Finally, as I mentioned earlier, the American College of Surgeons and the American Surgical Association has determined that 30 percent of the practicing surgeons in the United States are noncertified by the American Board of Surgery.

Many of these surgeons are unquestionably dedicated, skilled physicians. Some are undertrained, perform too few operations to retain their skills, and should not be performing surgery, given the large number of highly competent surgeons available in the United States. Mr. President, do you not think we ought to learn something about them, too?

I do not think that when a patient goes into a hospital and is referred to a surgeon, he knows how the board certifies their physicians and how operations are reported.

This proposal is really to collect that information. We are not really requiring any extensive quality controls at the local level. We are trying to collect information, so that at some time in the future we will be able to develop some kind of system, based upon accurate information, to develop uniform nationwide quality criteria. That is what we are really interested in. I think that is not the situation at the present. That is what our quality control commission is interested in.

I would hope that that is what Senators who support the bill believe is its concept; that is, the idea that when we develop a system and are providing some incentives to develop a health maintenance organization, we are also going to make certain that when a person walks in to the board he will know that he is going to receive high quality health care. If we eliminate this provision, we will be spending hundreds of millions of dollars of taxpayers' funds and turning them over to a local community and saying, "Develop whatever you want, because we are not interested in the kind of quality health care that people receive."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL) are necessarily absent.

I further announce that the Senator from Utah (Mr. Moss) and the Senator from New Jersey (Mr. WILLIAMS) are absent on official business.

I also announce that the Senator from Mississippi (Mr. STENNIS) is absent because of illness.

Mr. SCOTT of Pennsylvania. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Michigan (Mr. GRIFFIN), the Senator from Wyoming (Mr. HANSEN), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Virginia (Mr. SCOTT) is absent on official business.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Texas (Mr. TOWER) would vote "yea."

The result was announced—yeas 40, nays 47, as follows:

[No. 137 Leg.]

YEAS—40

Allen	Dominick	Nelson
Baker	Ervin	Nunn
Bartlett	Fannin	Packwood
Bennett	Fong	Pearson
Bentsen	Gurney	Proxmire
Brock	Helms	Roth
Byrd, Harry F., Jr.	Hruska	Scott, Pa.
Chiles	Hughes	Sparkman
Cook	Johnston	Stevens
Cotton	Long	Taft
Curtis	Mathias	Talmadge
Dole	McClellan	Thurmond
Domenici	McClure	Young
	McIntyre	

NAYS—47

Aiken	Hartke	Mondale
Bayh	Haskell	Montoya
Beall	Hatfield	Muskie
Bellmon	Hathaway	Pastore
Bible	Hollings	Pell
Biden	Huddleston	Percy
Brooke	Humphrey	Randolph
Burdick	Inouye	Ribicoff
Byrd, Robert C.	Jackson	Saxbe
Cannon	Javits	Schweiker
Case	Kennedy	Stafford
Church	Magnuson	Stevenson
Clark	Mansfield	Symington
Eagleton	McGee	Tunney
Fulbright	McGovern	Weicker
Hart	Metcalf	

NOT VOTING—13

Abourezk	Gravel	Stennis
Buckley	Griffin	Tower
Cranston	Hansen	Williams
Eastland	Moss	
Goldwater	Scott, Va.	

So Mr. DOMINICK's amendment (No. 111) was rejected.

Mr. KENNEDY. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 131

Mr. KENNEDY. Mr. President, I send an amendment to the desk in the nature of a substitute and ask that it be stated.

The PRESIDING OFFICER (Mr. BIDEN). The amendment in the nature of a substitute will be stated.

The legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

AMENDMENT NO. 131 (IN THE NATURE OF A SUBSTITUTE)

Beginning on page 107, line 18, strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Health Maintenance Organization and Resources Development Act of 1973".

SEC. 2. (a) The Congress finds that—

(1) the medical care system is not organized in a manner which encourages the provision of medical care at reasonable costs.

(2) the medical care system is oriented toward providing care once a health need has occurred rather than toward providing health maintenance and preventive health services;

(3) there is a serious maldistribution of medical care resources which has resulted in inadequate access to medical care in both inner city and rural areas.

(4) the establishment of health maintenance organizations, health service organizations, and area health education and service centers will aid in alleviating the serious maldistribution of health care resources which has resulted in inadequate access to medical care particularly in both inner city and rural areas, in providing health care in a more efficient and economical manner, and in reorienting the health care system toward the maintenance of health;

(5) there is a need to provide technical assistance and resources to individuals and groups, undertaking the planning, development, and initial operation of health maintenance organizations, supplemental health maintenance organizations, health service organizations, and area health education and service centers;

(6) there is a shortage of educational facilities in health sciences and unbalanced emphasis on hospital practice and on rare and exotic diseases in medical education; and

(7) there exists an excessive variance in the quality of health care and health services.

(b) The purpose of this Act is to assist in remedying these deficiencies through encouraging the establishment and utilization of health maintenance organizations, particularly in medically underserved areas by improving the system for the delivery of health care through encouragement of any support for the planning, development, and initial operation of health maintenance organizations, supplemental health maintenance organizations, health service organizations, and area health education and service centers, particularly with the intent of improving the health of populations in medically underserved areas.

SEC. 3. Nothing in this Act, or any amendment made by this Act, shall be construed to supersede any activity relating to review of the provision of health care services under (including review and assessment of quality or quantity of such services or determination or reimbursement therefor) or to the determination of eligibility of any provider, practitioner, agency, or organization to participate under any program established under the Social Security Act.

TITLE I—HEALTH MAINTENANCE ORGANIZATIONS

SEC. 101. The Public Health Service Act is amended by inserting after title XI the following new title:

"TITLE XII—HEALTH MAINTENANCE ORGANIZATIONS AND HEALTH SERVICE ORGANIZATIONS

"PART A—SUPPORT OF HEALTH MAINTENANCE ORGANIZATIONS

"DEFINITIONS

"SEC. 1201. For purposes of this title:

"(1) The term 'health maintenance organization' means an entity which—

"(A) provides as a minimum for all its enrollees (or subscribers) comprehensive health services (as defined in this section) which are uniformly available to all its enrollees (or subscribers) directly through its own staff and supporting resources or through a medical group or groups and such other additional services as may be required through other health delivery entities, for a fixed payment which (i) is to be paid on a periodic basis without regard to the frequency, extent, or kind of health service actually furnished to any particular enrollee; and (ii) is uniform for all its enrollees subject to rules and regulations regarding family rules;

"(B) demonstrates to the satisfaction of the Secretary ability to assure that appropriate comprehensive health services are available and accessible to all its enrollees promptly and in a manner which assures continuity;

"(C) demonstrates to the satisfaction of the Secretary financial responsibility through proof of adequate provision against the risk of insolvency;

"(D) is organized in such a manner (as prescribed by regulations of the Secretary) that assures its enrollees a substantial role (generally defined as one-third representation in the body establishing or recommending policy) in the making of policy for the health maintenance organization, with equitable representation of enrollees from medically underserved areas, and provides meaningful procedures for hearing and resolving grievances (i) between its enrollees and the health maintenance organization (including the medical group or groups and other health delivery entities providing health services), and (ii) between the medical group or groups providing health services and other employees and the health maintenance organization;

"(E) encourages and actively provides for its enrollees (i) health education services; (ii) education in the appropriate use of health services provided; and (iii) education in the contribution the patient can make to the maintenance of his own health;

"(F) has organizational arrangements, established in accordance with regulations of the Commission on Quality Health Care Assurance (established under title XIII of this Act) for an ongoing quality assurance program which stresses health outcomes and assures that health services provided meet the requirements of the Commission on Quality Health Care Assurance;

"(G) provides, in accordance with regulations of the Secretary (including safeguards concerning the confidentiality of the doctor-patient relationship), and effective procedure for developing, compiling, evaluating, and reporting to the Secretary, data (which the Secretary shall publish and disseminate on an annual basis) relating to (i) the cost of its operations, (ii) the patterns of utilization of its services, (iii) the availability, accessibility, and acceptability of its services, and (iv) such other matters as the Secretary may require and disclose at least annually and in a manner acceptable to the Secretary, such data to its enrollees and to the general public;

"(H) except for (i) out of area emergency care, and (ii) care reasonably valued in excess of the first $5,000 per enrollee per year, assumes direct financial responsibility, without benefit of insurance, on a prospective basis for the provision of the comprehensive health services defined in this section;

"(I) has an open enrollment period, unless a waiver has been granted under section 1249, of not less than thirty days at least once during each consecutive twelve-month period during which it accepts individuals in the order in which they apply for enrollment up to its capacity, subject to the requirements of paragraph (K);

"(J) assumes responsibility for the provisions of health care services to its enrollees (and on a reimbursable basis for short-term health care services to enrollees of any other health maintenance, supplemental health maintenance, or health service organization who are temporarily outside the service area of the health maintenance, supplemental health maintenance, or health service organization in which they are enrolled) twenty-four hours a day, seven days a week, and for the appropriate availability of such services in emergencies;

"(K) shall enroll no more than 50 per centum of its enrollees from medically underserved areas, except in rural areas as designated by the Secretary;

"(L) provides, or makes arrangements for, continuing education for its staff;

"(M) emphasizes the use of nurse practitioners, physician's assistants, dental therapists, and other allied health personnel and to the extent practicable and consistent with good medical practice, trains and employs such personnel in the rendering of services;

"(N) provides to its enrollees as an option, for an additional premium, extended care facility services and dental services;

"(O) may purchase on a fee-for-service basis unusual or infrequently used health care services for its enrollees;

"(P) does not refuse enrollment to or expel any person for any reason concerning his health status or requirements for the provision of health services;

"(Q) provides for the prevention, diagnosis, and medical and psychological treatment of the abuse of or addiction to alcohol and drugs either through its own facilities or existing community facilities; and

"(R) meets such other criteria for its organization and operations as the Secretary may by regulation prescribe, consistent with the provisions of this title.

"(2) The term 'comprehensive health services' means health services provided without limitation as to time or cost as follows—

"(A) physician services (including consultant and referral services);

"(B) inpatient and outpatient hospital services;

"(C) home health services;

"(D) diagnostic laboratory, and diagnostic and therapeutic radiologic services;

"(E) preventive health (including but not limited to voluntary family planning, infertility services, and preventive dental care for children) and early disease detection services;

"(F) emergency health services rendered by any provider of health care, the expense of which shall be borne by the enrollee's health maintenance, supplemental health maintenance, or health service organization;

"(G) provision of or payment for prescription drugs (with patterns of patient drug utilization under continuous surveillance, evaluation, and review by a clinical pharmacist whose duties shall include the maintenance of a drug use profile for each enrollee);

"(H) medical social services;

"(I) vision care (except for eyeglasses which shall be optional) as provided by a physician skilled in the diagnosis and treatment of diseases of the eye, or by an optometrist provided such services are within the scope of his license;

"(J) physical medicine and rehabilitative services (including physical therapy);

"(K) mental health services utilizing existing community mental health centers on a priority basis;

"(L) preventive diagnostic and medical and psychological treatment of the abuse of or addiction to alcohol and drugs; and

"(M) such other personal health services as the Secretary may determine are necessary to insure the protection, maintenance, and support of human health.

"(3) The term 'medical group' means a partnership or other association or group of health professionals of whom not less than four and at least a majority shall be persons who are licensed to practice medicine or osteopathy, and such other licensed health professionals as are necessary to provide comprehensive health services and who are eligible for assistance under this Act, in conformance with requirements promulgated under section 1302, in a State and who (A) engage in the coordinated practice of their profession as a group responsibility providing services to health maintenance or health service organization enrollees; (B) if not employees or retainees of a health

maintenance organization, or health service organization, pool their income from practice as members of the group and distribute it among themselves according to a prearranged salary, or a drawing account or other plan; (C) jointly use or share substantial portions of medical and other records and major equipment and professional, technical, and administrative staff; (D) share or jointly utilize such additional health and allied health professionals who may include but are not limited to psychologists and other mental health workers, optometrists, pharmacists, podiatrists, dental therapists, physician's assistants, nurse practitioners and nurse midwives, as are needed to provide comprehensive health services; and (E) arrange for and encourage the continuing education of their members in the field of clinical medicine and related areas. Such group may be organized on a group practice or individual practice basis, and individual physician members may be paid on a fee for service or any other basis, so long as the group is reimbursed for its services on the basis of an aggregate fixed sum or on a per capita basis.

"(4) The term 'enrollee' when used in connection with a health maintenance organization, supplemental health maintenance organization (as defined in part B), or health service organization (as defined in part C) means an individual who has entered into a contractual arrangement, or on whose behalf a contractual arrangement has been entered into, with a health maintenance organization, supplemental health maintenance, or a health service organization under which such organization assumes the responsibility for the provision of health services to such individual.

"(5) The term 'medically underserved area' means an urban or rural area or population group designated by the Secretary as an area or population group with a shortage of personal health services. Such a designation may be made by the Secretary only after consideration of the comments, if any, of (A) each State comprehensive health planning agency designated pursuant to section 314(a) of this Act covering, in whole or in part, such area, (B) each areawide comprehensive health planning agency designated pursuant to section 314(b) of this Act, covering, in whole or in part, such area, and (C) regional medical programs established pursuant to title IX of this Act, covering, in whole or in part, such area.

"(6) The terms 'construction' and 'cost of construction' include (A) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings including architect's fees, and (B) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered with assistance under this title.

"(7) The term 'high-risk enrollee' means a person who is likely to utilize the services of a provider of health care more often than an actuarially determined average.

"GRANTS FOR PLANNING AND FEASIBILITY STUDIES

"SEC. 1202. (a) The Secretary may make grants subject to the general provisions of this title, to public or private nonprofit agencies, organizations, or institutions to assist in projects for planning or studying the feasibility of developing or expanding health maintenance organizations. No project may receive more than $250,000 in grants under this section. Funds awarded under such grants shall be available for expenditure by the grantee for such period (not to exceed two years from the date of award) designated by the Secretary.

"(b) In making grants under this section the Secretary shall give priority to those applicants who give assurances that at least 30 per centum of their total enrollment shall be persons from medically underserved areas.

"(c) There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year ending June 30, 1974, $15,000,000 for the fiscal year ending June 30, 1975, and $20,000,000 for the fiscal year ending June 30, 1976.

"GRANTS FOR INITIAL DEVELOPMENT COSTS

"SEC. 1203. (a) The Secretary may make grants, subject to the general provisions of this title, to any public or private nonprofit agencies, organizations, or institutions, to assist them in meeting the costs involved in a project for the initial development of a health maintenance organization prior to its first day of operation. No project may receive more than $1,000,000 in grants under this section.

"(b) Sums awarded under such grant shall be available for expenditure by the grantee for not more than three years, and shall be utilized for such purposes as may be prescribed in regulations of the Secretary, including but not limited to (1) implementation of an enrollment campaign; (2) detailed design of and arrangements for the health services to be provided; (3) development of administrative and internal organizational arrangements, inculding fiscal control and fund accounting procedures and the development of a capital financing program; (4) recruitment of personnel and the conduct of personnel training activities; and (5) payment of architects' and engineers' fees.

"(c) In making grants under this section the Secretary shall give priority to those applicants who give assurances that at least 30 per centum of their total enrollment shall be persons from medically underserved areas.

"(d) There are authorized to be appropriated to carry out the provisions of this section $15,000,000 for the fiscal year ending June 30, 1974, $25,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976.

"CONSTRUCTION GRANTS

"SEC. 1204. (a) The Secretary may make grants, subject to the general provisions of this title, to assist any public or private nonprofit health maintenance organization or any public or private nonprofit agency, organization, or institution intending to become a health maintenance organization in meeting the cost of construction of facilities or portions of facilities for ambulatory care and capital investment for necessary transportation equipment, to be used by it for the provision of health services to its enrollees. The Secretary shall give special consideration to applications for grants for the acquisition or renovation of existing facilities. Except for execptional circumstances, in which case up to 90 per centum of the cost of construction (as determined by the Secretary) may be authorized by the Secretary, no grant under this section for any project may exceed 75 per centum of the cost of construction of such project. No project may receive more than $2,500,000 in grants under this section.

"(b) In making grants under this section the Secretary shall give priority to those applicants who give assurances that at least 30 per centum of their total enrollment shall be persons from medically underserved areas.

"(c) There are authorized to be appropriated to carry out the provisions of this section $15,000,000 for the fiscal year ending June 30, 1974, $30,000,000 for the fiscal year ending June 30, 1975, and $40,000,000 for the fiscal year ending June 30, 1976.

"GRANTS FOR INITIAL COSTS OF OPERATION

"SEC. 1205. (a) Where the Secretary determines that the applicant has made all reasonable attempts to meet his operating expenses (including loans and loan guarantees), he may make grants to public and private nonprofit health maintenance organizations to assist them in meeting operating deficits during the initial three-year period of their operation.

"(b) Grants under this section shall be made only for the period beginning with the first day of the first month for which such grant is made and ending with the close of three years after such first day; and such grant with respect to any such organization may not exceed 100 per centum of such operating deficit for the first year after such first day; 67 per centum of such first year operating deficit for the second year after such first day; and 33 per centum of such first year operating deficit for the third year after such first day.

"(c) There are authorized to be appropriated to carry out the provisions of this section $5,000,000 for the fiscal year ending June 30, 1974, $30,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976.

"CONSTRUCTION LOANS

"SEC. 1206. (a) The Secretary may make loans, subject to the general provisions of this title, to any public or private nonprofit health maintenance organization, or any public or private nonprofit agency, organization, or institution intending to become a health maintenance organization, to assist it in meeting the cost of construction of facilities for ambulatory care and transportation services for the provision of health services to its enrollees. The Secretary shall give special consideration to applications for loans for the acquisition or renovation of existing facilities. No loan under this section for any project may exceed 90 per centum of the cost of construction (as determined by the Secretary) of such project.

"(b) There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year ending June 30, 1974, $20,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976. Sums so appropriatde, together with repayments of loans made under this section and any other receipts in connection with the program under this section, shall be placed in and constitute a revolving fund which shall be available to the Secretary without fiscal year limitation for use in making loans and other expenditures in the exercise of his functions under this section.

"LOANS FOR INITIAL COSTS OF OPERATION

"SEC. 1207. (a) The Secretary may make loans, subject to the general provisions of this title, to any public or private nonprofit health maintenance organization to assist it in meeting, for the period prescribed in subsection (b), a portion of its initial operating costs in excess of gross revenues determined under regulations of the Secretary.

"(b) Loans under this section for initial costs of operation may be made only for the period beginning with the first day of the first month for which such a loan is made and ending with the close of three years after such first day; and such loans with respect to any project may not exceed 60 per centum of such costs of operation, for the first year after such first day; 40 per centum of such costs for the second year after such first day; and 20 per centum of such costs for the third year after such first day.

"(c) There are authorized to be appropriated to carry out the provisions of this section $5,000,000 for the fiscal year ending June 30, 1974, $30,000,000 for the fiscal year ending June 30, 1975, and $30,000,000 for the fiscal year ending June 30, 1976. Sums so appropriated, together with repayments of loans made under this section and any other receipts in connection, with the program under this section, shall be placed in and constitute a revolving fund which shall be available to the Secretary without fiscal year limitation for use in making loans and other expenditures in the exercise of his functions under this section.

"PART B—GENERAL PROVISIONS

"GRANT AND LOANS

"SEC 1240. (a) Any loan by the Secretary shall bear interest at a rate comparable to the legal rate of interest prevailing with respect to loans which are guaranteed under

section 1241. No payment of principal on a loan shall be required for the first five years after such loan is made.

"(b) No such loan shall be made unless—

"(1) the Secretary is reasonably satisfied that the applicant therefor will be able to make payments of principal and interest thereon when due, and

"(2) the applicant provides the Secretary with reasonable assurances that there will be available to it such additional funds as may be necessary to complete the project with respect to which such loan is requested.

"(c) Any such loan shall have such security, have such maturity date, be repayable in such installments, and be subject to such other terms and conditions (including provisions for recovery in case of default) as the Secretary determines to be necessary to carry out the purposes of this title while adequately protecting the financial interests of the United States.

"(d) No such loan shall have a term in excess of fifteen years.

"(e) The Secretary may, for good cause, waive any right of recovery which he has by reason of the failure of a public organization to make payment and interest on a loan under this section.

"LOAN GUARANTEES AND INTEREST SUBSIDIES

"SEC. 1241. (a) In order to assist private health maintenance organizations to carry out construction projects for ambulatory care facilities and transporation services and communication services to be used by it for the provision of health services to its enrollees, to meet their initial development costs (for not more than three years) or to meet their cost of operation (for not more than three years), as well as to subsidize the difference between income and operating expenditures, the Secretary, during the period beginning January 1, 1974, and ending with the close of June 30, 1976, may, in accordance with the provisions of this section, and subject to the general provisions of this Act (A) guarantee to non-Federal lenders making loans to such organizations for such purposes, payment of principal of and interest on such loans which are approved under this section, and (B) in the case of nonprofit health, maintenance organizations, pay to the holder of such loans (and for and on behalf of the organization which received such loan) amounts sufficient not to exceed 3 per centum per annum) to reduce the net effective interest rate otherwise payable on such loan. No loan guarantee or interest subsidy under this section may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to or be made for an amount which, when added to any grant or other loan under this or any other law of the United States, is—

"(i) with respect to any construction, in excess of 90 per centum of the cost of such construction,

"(ii) with respect to initial development costs, in excess of 90 per centum of such costs, or

"(iii) with respect to initial operating costs, in excess of 90 per centum of such costs.

No such loan guarantee may apply to more than 90 per centum of the loss of principal and interest on the loan.

"(b) The Secretary may not approve the application of a health maintenance organization, unless—

"(1) he determines, in the case of a loan for which a guarantee or an interest subsidy payment is sought, that the terms, conditions, maturity, security (if any), and schedule and amounts of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States;

"(2) the term of a loan for which a guarantee and interest subsidy is sought does not exceed twenty-five years if for construction, or fifteen years if for operating costs, or such shorter period as the Secretary prescribes; and

"(3) he obtains assurances that the applicant will keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may reasonably require.

"(c) Guarantees of loans and interest subsidy payments under this section shall be subject to such further terms and conditions as the Secretary determines to be necessary to assure that the purposes of this section will be achieved, and, to the extent permitted by subsection (e), any of such terms and conditions may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

"(d) in the case of any loan guaranteed under this section, the United States shall be entitled to recover from the applicant the amount of any payments made pursuant to such guarantee unless the Secretary, for good cause, waives his right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

"(e) Any guarantee of a loan under this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

"(f) (1) There is established in the Treasury a Health Maintenance Organization, Loan Guarantee and Interest Subsidy Fund (hereafter in this section referred to as the 'fund') which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts (A) to enable him to discharge his responsibilities under guarantees issued by him under this title, and (B) for interest subsidy payments authorized by this title. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required by the fund. To the extent authorized from time to time in appropriation Acts there shall be deposited in the fund amounts received by the Secretary as interest payments or repayments of principal on loans and any other moneys, property, or assets derived by him from his operations under title, including any moneys derived from the sale of assets.

"(2) If at any time the moneys in the fund are insufficient to enable the Secretary to discharge his responsibilities under this title to meet the obligations under guarantees of loans under subsection (a) or to make interest subsidy payments on such loans, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, barring such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary 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 outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treausry is authorized and directed to purchase any notes and other obligations issued hereunder and for that 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 and the purposes for which securities may be issued under that Act are extended to include any purchase 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 subsection. 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. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from such fund.

"(g) (1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

"(2) In any fiscal year no loan guarantee or agreement to make interest subsidy payments may be entered into under this title if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

"(A) the principal of the loans guaranteed under this title in such fiscal year, and

"(B) the principal of the loans for which no guarantee has been made under this title and with respect to which an agreement to make interest subsidy payments is entered into under this title in such fiscal year,

to exceed the amount of grant funds obligated under this Act in such fiscal year; except that this paragraph shall not apply if the amount of grant funds obligated under this title in such fiscal year equals the sums appropriated for such fiscal year under this title.

"APPLICATION REQUIREMENTS

"SEC. 1242. (A) No grant, contract, loan, loan guarantee, or interest subsidy may be made under this title unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, consistent with subsection (b) (1), as the Secretary shall by regulation prescribe.

"(b) (1) An application for a grant, loan, loan guarantee, or interest subsidy under this title shall include to such extent, in such manner and among such other matters as the Secretary may by regulation prescribe, satisfactory specification of the existing or anticipated (A) population group or groups to be served by the existing or proposed health maintenance organization, described in the application, (B) enrollment for such organization, (C) methods, terms, and periods for the enrollment of enrollees, (D) nature and estimated costs per enrollee of the health care and educational services to be provided, (E) sources of professional services, and organizational arrangements for providing health care and educational services, (F) organizational arrangements for an ongoing quality assurance program in conformance with the requirements of the Commission on Quality Health Care Assurance, (G) sources of prepayment and other forms of payment for the services to be provided, (H) facilities available for and additional capital investments and sources of financing therefor, required to provide the level and scope of services proposed, (I) arrangements and capabilities of such organization, (J) role for enrollees in the planning and policymaking for such organization, (K) grievance procedures for enrollees, staff, and employees, and (L) evaluation or

evaluations of the support for and acceptance of such organization by the population to be served, the sources of operating support, and the professional groups to be involved or affected thereby. An organization making multiple applications for assistance under this title simultaneously or over the course of time shall not be required to submit duplicate or redundant information but shall be required to update the description of the existing or proposed organization in such manner and with such frequency as the Secretary may by regulation prescribe.

"(2) Upon completion of assistance under this title, the recipient of assistance shall make a full and complete report to the Secretary, in such manner as he may by regulation prescribe. Each such report shall include, among such other matters as the Secretary may by regulation prescribe, descriptions of plans, developments, and operations in those areas enumerated in paragraph (1) for specification in applications for assistance.

"(c) A health maintenance organization, receiving assistance under this title shall submit to the Secretary as a condition of its continued assistance, satisfactory assurances, in accordance with such regulations as the Secretary shall prescribe, including but not limited to the following: (1) financial responsibility, and (2) development and operation consistent with the terms of this title and the plans contained in such organization's application or applications for assistance. As used in this subsection the term 'financial responsibility' means the demonstrated capability to adequately carry out the purposes of the project for which the original assistance was made.

"(d)(1) An application for a grant, loan, loan guarantee, or interest subsidy under this title shall contain assurances satisfactory to the Secretary that the applicant will, in accordance with such criteria as the Secretary shall by regulation prescribe, enroll the maximum number of persons that its available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve; except that the applicant shall enroll no more than 50 per centum of its enrollees from medically underserved areas except in rural areas as designated by the Secretary.

"(2) No grant may be made and no loan, loan guarantee, or interest subsidy payment may be made under this title unless the applicant demonstrates to the satisfaction of the Secretary that the applicant will or has enrolled, and will maintain an enrollment of, the maximum number of persons that its available and potential resources (as determined under regulations of the Secretary) will enable it to effectively serve, except that the applicant shall enroll no more than 50 per centum of its enrollees from medically underserved areas except in rural areas as designated by the Secretary.

"(e) The Secretary shall have the authority after a hearing on the record to terminate or cancel any grant, loan, loan guarantee, or interest subsidy to any recipient of assistance under this title which he determines is in susbtantial noncompliance with any material provision of this title or after notice from the Commission on Quality Health Care Assurance that such organization has had its certificate of compliance suspended or revoked.

"(f) Effective two years after the date of enactment of this Act, no assistance shall be given under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, to a provider of health care unless such provider holds a valid certificate of compliance under section 1302.

"(g)(1) The Secretary may not approve an application submitted under section 1203, 1204, 1205, 1206, or 1207, unless the section 314(b) areawide health planning agency whose section 314(b) plan covers (in whole or in part) the area to be served by the health maintenance organization, for which such application is submitted, or if there is no such agency, the section 314(a) State health planning agency whose section 314(a) plan covers (in whole or in part) such area, has, in accordance with regulations of the Secretary, been provided an opportunity to review the application and to submit to the Secretary for his consideration its recommendations respecting approval of the application. If under applicable State law such an application may not be submitted without the approval of the section 314(b) areawide health planning agency or the section 314(a) State health planning agency, the Secretary may not approve such an application unless the required approval has been obtained.

"(2) The Secretary shall by regulation establish standards and procedures for section 314(b) areawide health planning agencies and section 314(a) State health planning agencies to follow in reviewing and commenting on applications for assistance for health maintenance organizations, and other applicants for assistance under this Act.

"(h) If in any fiscal year there are insufficient funds available for funding of all approved applications for assistance under section 1202, 1203, or 1204 of this title the Secretary shall, subject to the priorities in sections 1202(b), 1203(c), and 1204(c), give priority to those applicants which he determines are the most likely to be economically viable.

"EFFECT ON STATE LAW

"SEC. 1243. (a) Notwithstanding any provisions of State law which—

"(1) require approval of a health maintenance organization, by a medical society;

"(2) require that physicians constitute all or a majority of the governing body of a health maintenance organization;

"(3) require that all physicians or a percentage of physicians in the local medical society be permitted to participate in rendering the services of the organization;

"(4) require that such organization submit to regulations as an insurer of health care services;

"(5) require that only unincorporated individuals or associations or partnerships may provide health care services;

"(6) prohibit advertising by a professional group for recruitment of enrollees: or

"(7) impose requirements or restrictions on a health maintenance organization, in a manner, determined by the Secretary, to be incompatible with this title, a health maintenance organization or other providers of health care receiving Quality Health Care Initiative Awards under this title, who otherwise conform with the laws for incorporation and laws for licensing of physicians, osteopaths, and dentists in such State shall be allowed to provide health care services in such State in accordance with the provisions of this title.

"QUALITY HEALTH CARE INITIATIVE AWARDS

"SEC. 1244. (a) Every provider of health care which is certified by the Commission on Quality Health Care Assurance as maintaining quality control standards in compliance with the requirements set by the Commission on Quality Health Care Assurance shall be entitled to an annual payment in an amount equal to the administrative costs allowed by the Commission, incurred in complying with the requirements of the Commission. Any provider of health care, whether or not subject to the provisions of this Act, may apply to the Commission for certification of compliance under section 1302.

"(b) There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for the fiscal year ending June 30, 1974; $25,000,000 for the fiscal year ending June 30, 1975; and $75,000,000 for the fiscal year ending June 3, 1976.

"CAPITATION GRANTS TO ENABLE HEALTH MAINTENANCE ORGANIZATIONS, SUPPLEMENTAL HEALTH MAINTENANCE ORGANIZATIONS, AND HEALTH SERVICE ORGANIZATIONS TO SERVE ALL PERSONS

"SEC. 1245. (a)(1) The Secretary shall make annual grants to health maintenance organizations, serving persons who cannot meet the expenses of such organizations' premiums (excluding additional premium for high option services). The amount of such annual grants shall be equal to the difference between the maximum amount (as determined by the Secretary) an enrollee could reasonably be expected to pay toward the health maintenance organization premium and the premium for membership enrollment in such health maintenance organization for each such person enrolled. A health maintenance organization shall be eligible for grants under this subsection only during the first three years of its operation.

"(2) In determining the amount an enrollee could pay toward the premium, the Secretary shall consider all sources (including public sources) of income available to each such enrollee.

"(3) Grants under this section shall not exceed 25 per centum of the total premium receipts for such health maintenance, supplemental health maintenance or health service organization for the next preceding year.

"(4) There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for the fiscal year ending June 30, 1974; $25,000,000 for the fiscal year ending June 30, 1975; and $75,000,000 for the fiscal year ending June 30, 1976.

"(b)(1) Where a health maintenance organization proposes an increase in its premium rate and the Secretary determines that such increase is due in whole or in part to fulfillment of the requirement for open enrollment, in that such organization has in its enrolled population a disproportionate number of high-risk enrollees, the Secretary shall make annual grants to such organization equal to an amount that would eliminate the need for that part of the proposed premium increase caused by such disproportionate number of high-risk enrollees in such organization. A health maintenance organization shall be eligible for grants under this subsection only during the first three years of its operation.

"(2) There are authorized to be appropriated to carry out the provisions of this section $15,000,000 for the fiscal year ending June 30, 1974; $25,000,000 for the fiscal year ending June 30, 1975; and $75,000,000 for the fiscal year ending June 3, 1976.

"PAYMENT OF GRANTS

"SEC. 1246. The amount of any grant under this title shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"PROHIBITION ON TRANSFER OF FUNDS

"SEC. 1247. (a) No funds appropriated pursuant to any of the preceding sections of this title shall be available for any purposes other than the purposes of the program authorized by the particular section pursuant to which such funds are appropriated.

"(b) No funds, except those appropriated under this title, shall be used for the purposes of carrying out the provisions of this title.

"(c) Only funds appropriated under this title shall be used to initially develop, construct, and initially operate a health maintenance organization, that provides either directly or indirectly through arrangements with others, health care to a defined population on a prepaid basis.

"LABOR STANDARDS

"SEC. 1248. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this

title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176) and section 2 of the Act of June 13, 1934.

"OPEN ENROLLMENT WAIVER

"SEC. 1249. In a case where all appropriated funds are expended under section 1245(b)(2) and where a health maintenance organization demonstrates to the satisfaction of the Secretary that it has a disproportionate share of high-risk enrollees and by maintaining open enrollment it would be required to enroll a nonrepresentative cross section of the community in which it provides services, to the extent that financing is available and people are willing to enroll, and the enrollment of such disproportionate share of high-risk enrollees will jeopardize its economic viability, the Secretary may waive such requirement for open enrollment for a period of not more than three years. A health maintenance organization may receive more than one such waiver.

"ACCESS TO RECORDS

"SEC. 1250. (a) Each recipient of Federal funds under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such funds, the total cost of the undertaking in connection with which such funds are given or used, the amount of that portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients of Federal funds under this Act.

"COMPREHENSIVE SERVICES PHASE-IN

"SEC. 1251. The Secretary may grant a waiver to an applicant for assistance under this title, with respect to the provision of a specific service, required to be provided as a component of comprehensive health services where he determines that—

"(1) such service cannot be provided by the applicant solely because the required health manpower to provide such service is not available; and

"(2) the applicant has a feasible plan to provide such service at the earliest possible date, such date not to exceed three years from the date assistance under this title is first granted to such applicant.

"COMPREHENSIVE HEALTH SERVICES FOR INDIANS AND MIGRANT WORKERS

"SEC. 1252. The Secretary is authorized to contract with health maintenance organizations to provide health services to individuals who are eligible for such services from the Indian Health Service or under section 310 of this Act.

"PART C—SPECIAL PROJECT GRANTS TO FACILITATE HEALTH SERVICES IN NONMETROPOLITAN AREAS

"SEC. 1260. (a) The Secretary is authorized to make grants to or contracts with any public or nonprofit private entity (which otherwise may not be eligible for grants or assistance under this title) to study, initiate, and evaluate projects for the delivery, or to facilitate the delivery, in nonmetropolitan areas of comprehensive health services on a prepaid basis."

(b) There are authorized to be appropriated to carry out the purposes of this section such sums as may be necessary.

TITLE II—COMMISSION ON QUALITY HEALTH CARE ASSURANCE

SHORT TITLE

SEC. 201. This title shall be known as the "Commission on Quality Health Care Assurance Act of 1973".

STATEMENT OF PURPOSE

SEC. 202. It is the purpose of this title to promote the quality of health care in the United States by establishing a Commission on Quality Health Care Assurance to develop, establish, and encourage parameters and standards for quality health care.

SEC. 203. The Public Health Service Act, as amended by this Act, is further amended by inserting after title XII the following new title:

"TITLE XIII—COMMISSION ON QUALITY HEALTH CARE ASSURANCE

"PART A—COMMISSION ON QUALITY HEALTH CARE ASSURANCE

"ESTABLISHMENT OF COMMISSION

"SEC. 1301. (a) There is hereby established (as an independent agency in the executive branch) a Commission on Quality Health Care Assurance.

"(b) The Commission shall be composed of eleven members to be appointed by the President by and with the advice and consent of the Senate from among individuals who by virtue of their service, experience, or education are especially qualified to serve on the Commission. In making such appointments the President shall appoint individuals who are representative of the health care delivery industry, private organizations engaged in developing health care quality standards which may be applicable on a national basis, and consumers not related to the delivery of health care. The terms of office of each member of the Commission shall be five years except that—

"(1) the members first appointed shall serve, as designated by the President, three for a term of one year, two for a term of two years, two for a term of three years, two for a term of four years, and two for a term of five years;

"(2) any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed; and

"(3) a member shall be eligible for reappointment for one additional term.

"(c) The President shall designate one of the members to serve as Chairman and one to serve as Vice Chairman of the Commission.

"(d) Any vacancy in the Commission shall not affect its powers and six members of the Commission shall constitute a quorum.

"(e) Four members of the Commission shall be consumers not related to the delivery of health care.

"DUTIES OF THE COMMISSION

"SEC. 1302. (a) The Commission shall—

"(1) promulgate standards for qualifications of personnel, composition of medical groups, and other characteristics dealing with the adequacy of facilities and equipment;

"(2) conduct such research and experimental programs as are determined necessary for the development of—

"(A) criteria for new and improved quality assurance systems, and

"(B) norms, with regard to processes, utilization characteristics, and outcomes;

"(3) require and monitor, in accordance with criteria established based upon findings under paragraph (2), quality assurance systems for health maintenance organizations, and other providers of health care subject to the provisions of this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 which shall be designed to—

"(A) improve as well as assess the quality of health care;

"(B) evaluate the inputs, processes, utilization characteristics, and outcomes of health care as related to individuals and population groups, and establish relationships between inputs, processes, utilization characteristics, and outcomes;

"(C) concentrate on those illnesses which have relatively high incidence in the population and which are particularly influenced by medical treatment, rather than on unusual illnesses or conditions whose course is little influenced by therapy;

"(D) improve as well as assesses the accessibility, availability, and acceptability of health care provided by health maintenance organizations, and other providers of health care;

"(E) develop procedures for such systems to report through the policymaking body of the health maintenance organization to the membership and to the Commission on Quality Health Care Assurance; and

"(F) take into account the need for inclusion of consumers as well as the several health care disciplines in the decisionmaking membership of the system;

"(4) issue certificates of compliance to providers of health care certifying that such providers maintain an approved quality assurance system and are otherwise conforming with requirements published under this section;

"(5) after a hearing on the record, revoke or suspend such certificate where it determines that such provider has significantly deviated from the standards, approved quality assurance system, or the norms published pursuant to this section unless such deviation is justified to the satisfaction of the Commission;

"(6) monitor reports by health care providers covered by this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, for the purpose of assuring that the performance of such health care providers is in conformance with the approved quality assurance system and norms published under this section;

"(7) publish objective statistical descriptions of norms accumulated through experience and results of programs conducted under this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963;

"(8) conduct a program of research and development which shall have the objectives of—

"(A) improving the technology of assessing the quality of health care with emphasis on the outcomes of health care;

"(B) assessing and comparing the quality of health care provided under different delivery system arrangements;

"(C) analyzing the effects of providing information to consumers and improvement in the methods of information dissemination;

"(D) analyzing the impact of its quality assurance program upon the quality of health care for the American people; and

"(E) coordinating the collection, assimilation and cataloging of existing information regarding quality health care assurance programs of Federal, State, and local agencies and their relationships with one another, with due regard for the protection of the confidential nature of the doctor-patient relationship;

"(9) collect, summarize, and distribute information regarding the impact of medical services and the health status of the population of the United States;

"(10) provide technical assistance to providers of health care in the development of quality control programs;

"(11) study the levels, costs, and quality of health care under health care programs of the Federal Government;

"(12) administer the reinsurance program established under part B of this title;

"(13) analyze the need for standardization of medical record information and facilitate

the development of a system of standard medical reference mechanisms;

"(14) prescribe a schedule of reasonable contingent fees for attorneys representing claimants in proceedings under section 1309; and

"(15) annually report to the President and to the Congress on the conduct of activities, under this title (including results of studies conducted under paragraph (11)) together with such recommendations for additional legislation as the Commission may determine appropriate.

"(b) In developing quality health care assurance system criteria the Commission's consideration shall include but not be limited to existing State regulations, such standards as are in effect for Federal health agencies, and analysis of the results of the reinsurance program and the results of arbitration procedures under part B of this title.

"ADMINISTRATIVE POWERS

"SEC. 1303. (a) In order to carry out the provisions of this Act the Commission is authorized to—

"(1) appoint and fix the compensation of personnel of the Commission in accordance with the provisions of title 5, United States Code;

"(2) make, promulgate, issue, rescind, and amend rules and regulations as may be necessary to carry out the functions vested in the Commission and delegate authority to any officer or employee;

"(3) acquire (by purchase, lease, condemnation, or otherwise), construct, improve, repair, operate, and maintain, research and other necessary facilities and equipment, and related accommodations as may be necessary, and such other real or personal property (including patents) as the Commission deems necessary; to acquire by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Commission for a period not to exceed ten years without regard to the Act of March 3, 1877 (40 U.S.C. 34);

"(4) employ experts and consultants in accordance with section 3109 of title 5, United States Code;

"(5) appoint one or more advisory committees (including a committee for the preparation and analysis of statistics) composed of such private citizens and officials of Federal, State, and local governments as it deems desirable, to advise the Commission with respect to its functions under this Act;

"(6) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, and local public agencies with or without reimbursement therefor;

"(7) accept voluntary and uncompensated services, notwithstanding the provisions of section 665(b) of title 31, United States Code;

"(8) accept unconditional gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible; and

"(9) take such actions as may be required for the accomplishment of the objectives of the Commission.

"(b) Upon request made by the Commission each Federal agency is authorized and directed to make its services, equipment, personnel, facilities, and information (including suggestions, estimates, and statistics) available to the greatest practicable extent consistent with other laws to the Commission in the performance of its functions with or without reimbursement. Where the Commission determines that such services, equipment, personnel, facilities, and information cannot be made available for utilization in a manner which would enable it to expeditiously perform its duties under this Act, the Commission may establish where necessary the programs necessary to accomplish its tasks.

"(c) Each member of a committee appointed pursuant to paragraph (5) of subsection (a) of this section who is not an officer or employee of the Federal Government shall receive an amount equal to the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day he is engaged in the actual performance of his duties (including traveltime) as a member of a committee. All members shall be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties.

"(d) The Chairman shall be the chief executive and the administrative officer of the Commission and shall exercise the responsibility of the Commission with respect to—

"(1) the appointment and supervision of personnel employed by the Commission;

"(2) the distribution of jobs among the personnel of the Commission; and

"(3) the use and expenditure of funds.

"COMPENSATION

"SEC. 1304. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(60) Chairman, Commission on Quality Health Care Assurance.'

"(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"'(98) Members, Commission on Quality Health Care Assurance (10).

"'(99) General Counsel, Commission on Quality Health Care Assurance.'

"APPLICABILITY OF COMMISSION REQUIREMENTS

"SEC. 1305. (a) Except as provided in subsection (b) the requirements established by the Commission pursuant to section 1302 shall apply to any provider of health care receiving assistance under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 after the date of enactment of this title.

"(b) Any provider covered under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, may apply to the Commission for a temporary order granting a variance from any requirement or any provision thereof promulgated under section 1302 of this Act. Such temporary order shall be granted only if the provider files an application which establishes that—

"(1) the provider is unable to comply with a requirement by its effective date because of unavailability of professional or technical personnel or of materials and equipment needed to come into compliance with any requirement or because necessary construction, alteration, or modernization of facilities cannot be completed by its effective date; and

"(2) the provider has an effective program or coming into compliance with any requirement as quickly as possible with adequate interim safeguards for the protection of consumers of health care.

"(c) The Commission is authorized to grant a variance from any of its requirements or portion thereof whenever it determines or the Secretary of Health, Education, and Welfare certifies that such a variance is necessary to permit a provider to participate in a project approved by him designed to validate new and improved techniques of health care delivery systems.

"REPORTS AND MAINTENANCE OF RECORDS

"SEC. 1306. (a) Each provider, covered under this title, shall make, keep, and preserve, and make available to the Commission and the Secretary of Health, Education, and Welfare, such records regarding activities governed by this title as the Commission, in cooperation with the Secretary of Health, Education, and Welfare, shall prescribe.

"(b) The Commission shall prescribe rules and regulations as may be necessary with regard to inspection of the records and facilities of a provider.

"DISCLOSURE TO CONSUMERS OF HEALTH CARE SERVICES

"SEC. 1307. (a) A description of any health care plan covered by this title shall be published as required herein within ninety days after the establishment of such plan or when such plan becomes subject to this title.

"(b) A description of the plan shall be comprehensive and shall include, in a manner designed to be understood by the average enrollee, the following:

"(1) fees and prices;

"(2) scope of services included in benefit packages;

"(3) accessibility and availability of services including the location of the facilities, equipment available, hours of operation, practitioners by type and location, and amenities;

"(4) the name and type of administration of the plan; and

"(5) a statement of certification by the Commission.

"(d) The Commission shall monitor the provision of information by providers of care as required by this section. In any case in which information is disclosed or disseminated under this title and is subsequently found to be insufficient, inaccurate, or inaccurately disseminated the Commission shall take such action as is necessary to assure a full retraction of the inaccurate information together with a statement of new data in a manner similar to the initial disclosure or dissemination of such information.

"(e) The disclosure must also include procedures to be followed in presenting claims for benefits under the plan and the remedies available under the plan for the redress of claims which are denied in whole or in part.

"(f) Every provider shall furnish a copy of the plan description (including amendments or modifications thereto) described in subsection (b), to every enrollee upon his enrollment in the plan, and cause the same to be published, in a manner prescribed by the Commission, to the general public.

"PENALTIES

"SEC. 1308. (a) (1) Whenever the Commission after reasonable notice and opportunity for hearing to the provider finds that the provider has significantly deviated from the approved quality assurance system or is engaged in practices which significantly deviate from national or regional norms as determined by the Commission, the Commission shall notify the provider, and the Secretary of Health, Education, and Welfare that such provider shall be ineligible to participate in assistance under this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 and that the certificate of approval has been suspended until such time as the provider is found to be in compliance with the requirements established under section 1302. Hearings conducted under this section shall be held, where practicable, in a location convenient to the provider of health care.

"(2) Providers of health care, who have had their certificate suspended for a period, which the Commission determines to be unreasonable, shall have their certificate revoked and shall be liable for the repayment of part or all amounts received under this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

"(3) The Commission is authorized to make arrangements with providers of health care who have had their certificates revoked, for reimbursement of amounts received under this Act, and the Mental Retardation Facilities and Community Mental Health Cen-

ters Construction Act of 1963, including deferred payments on such terms and for such periods as are deemed equitable and appropriate.

"(b) Any person who knowingly makes any false statement, representation, or certification on any application, record, report, plan or other document filed or required to be maintained pursuant to this Act shall upon conviction be punished by a fine of not more than $10,000 or by imprisonment of not more than six months or by both.

"ARBITRATION

"SEC. 1309. (a) A provider of health care that possesses a valid certificate of compliance issued under section 1302 may enter into a program for the equitable and expeditious handling of malpractice claims which may arise out of care and treatment of patients. Such programs shall be based upon agreements between the patients and the providers of health care to submit all disputes, not settled to the satisfaction of both parties, to binding arbitration in order to gain the benefits of such programs for patients and providers. Records of all such settlements shall be kept by each provider of health care, and submitted to the Commission in such manner as it shall prescribe.

"(b) An agreement to submit to binding arbitration under subsection (a) must be valid in the jurisdiction in which such agreement is made and shall provide for the selection of arbitrators in accordance with rules and regulations promulgated by the Commission. For those providers who shall establish arbitration programs as specified in this section, title 9 of the United States Code shall apply to such arbitration programs if the State or States in which the provider is located has not enacted legislation providing for the finality of arbitration decisions, or for parties to enter into agreements to arbitrate prior to a dispute.

"(c) Written findings of fact and conclusions of law shall be prepared for each arbitration proceeding held under this section. In each case the findings shall be certified by the arbitrator to the Commission. The Commission shall develop a systematic codification of all findings of arbitration proceedings undertaken pursuant to this section and shall publish such findings at least annually or more frequently at the discretion of the Commission. The Commission shall certify all findings of arbitration proceedings undertaken pursuant to this section to all appropriate State or local licensing or disciplinary boards for each such arbitration procedure under the territorial jurisdiction of such board.

"(d) (1) Every attorney who, in connection with any proceedings under this section for personal injuries or for death or for loss of services resulting from personal injury proximately caused by medical malpractice, accepts a retainer or enters into an agreement, express or implied, for compensation for services rendered or to be rendered in such proceedings whereby his compensation is to be dependent or contingent in whole or in part upon the successful prosecution or settlement thereof, shall, within thirty days from the date of any such retainer or agreement of compensation, sign personally and file with the Commission a retainer statement of such retainer or agreement of compensation containing such information as the Commission shall require.

"(2) An attorney retained by another attorney on a contingent fee basis as trial or appeal counsel or to assist in the preparation, investigation, or settlement of any such proceeding, shall, within thirty days from the date of such retainer, sign personally and file with the Commission a retainer statement of such retainer or agreement of compensation containing such information as the Commission shall require.

"(3) A closing statement shall be filed with the Commission with every proceeding in which a retainer statement is required containing such information as the Commission shall require.

"(4) All statements of retainer or closing statements filed with the Commission shall be confidential, and the information therein contained shall not be divulged or made available for inspection or examination except upon written order of the Chairman or the General Counsel of the Commission.

"(5) Any attorney who charges or collects, for services rendered in connection with any proceedings described in this subsection, any fee in excess of that allowed by the Commission, shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

"PUBLICATION OF CRITERIA AND NORMS

"SEC. 1310. (a) The Commission may, by rule, promulgate, modify, or revoke any quality health assurance system criterion or norm in the following manner:

"(1) whenever the Commission upon the basis of information submitted to it in writing by an interested person, a nationally recognized standard-producing organization, the Secretary of Health, Education, and Welfare, or a State or political subdivision, or on the basis of information developed by the Commission, or otherwise available to it, determines that a rule should be promulgated in order to serve the objectives of this title, the Commission shall publish such proposed rule promulgating, modifying, or revoking a standard or criterion for a quality health care assurance system or norm in the Federal Register, and shall afford interested persons a period of sixty days after publication to submit written data or comments.

"(2) on or before the last day of the period provided for the submission of written data or comments, any interested person may file with the Commission written objections to the proposed rule stating the grounds therefor and requesting a public hearing on such objections. Within sixty days after the last day for filing such objections the Commission shall publish in the Federal Register a notice specifying the criteria for quality health care assurance systems or norms to which objections have been filed and a hearing request and specifying a time and place for such hearing. Hearings conducted under this section shall be held, where practicable, in a location convenient to the person filing such objection.

"(3) within sixty days after the expiration of the period provided for the submission of written data or comments or within sixty days after the completion of any hearing, whichever is later, the Commission shall issue and publish in the Federal Register a rule promulgating, modifying, or revoking standards, criteria for quality health care assurance systems or norms, or notice of a determination that a rule should not be issued. Such a rule may contain a provision delaying its effective date and such period (not in excess of ninety days) as the Commission determines may be necessary to insure that affected persons will be informed of the existence of the criteria or norm and of its determinations and that they are given an opportunity to familiarize themselves with the existence of the requirements of such criteria or norm.

"(b) Any person who may be adversely affected by the promulgation of a rule issued respecting criteria or norms under this section may at any time-prior to the ninetieth day after such criteria or norm is promulgated, file a petition challenging the validity of such criterion or norm with the United States district court for the district where such person resides or has his principal place of business for a judicial review of such criterion or norm. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commission. The filing of such petition shall not, unless otherwise stated by the court, operate as a stay of the criterion or norm. The determination of the Commission shall be conclusive if supported by substantial evidence in the record considered as a whole.

"(c) (1) In the case of establishing criteria for the assimilation of objective statistical material required for the publication of norms, the Commission shall hold hearings only when it determines such hearings to be necessary.

"(2) The Commission shall publish in the Federal Register a summary and basis for the establishment of the criteria required by paragraph (1).

"(d) The Commission in compiling information for setting the requirements for this title shall solicit views and information from concerned entities.

"STATE JURISDICTION AND STATE PLANS

"SEC. 1311. (a) Nothing in this Act shall prevent any State agency or court from asserting jurisdiction under State law over any health issue with respect to which no standard, criterion, or norm is in effect under section 1302 of this Act.

"(b) Any State which at any time desires to assume responsibility for the development and enforcement of health standards, criteria, or norms relating to any health issue with respect to which a Federal standard, criterion, or norm has been promulgated under section 1302, shall submit to the Commission a State plan for the development of such standards, criteria, or norms and their enforcement.

"(c) The Commission shall approve the plan submitted by a State under subsection (b) or any modification thereof only if such plan—

"(1) designates a State agency or agencies as the agency or agencies responsible for administering the plan throughout the State;

"(2) provides for the development and enforcement of health standards, criteria, or norms relating to one or more health issues which standards, criteria, or norms (and the enforcement of which) will be no less stringent than the standards, criteria, or norms promulgated under section 1302 which relate to the same health issues;

"(3) provides for a right to entry and inspection of all premises of providers of health care subject to this Act and the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 which includes a prohibition on advance notice of inspections;

"(4) contains satisfactory assurances that such agency or agencies have or will have the legal authority and qualified personnel necessary for the enforcement of such standards, criteria, and norms;

"(5) gives satisfactory assurances that such State will devote adequate funds to the administration and enforcement of such standards, criteria, and norms;

"(6) contains satisfactory assurances that such State will, to the extent permitted by its law, establish and maintain an effective and comprehensive health program applicable to all providers of health care of the State and its political subdivisions, which program is as effective as the standards contained in an approved State plan;

"(7) requires providers of health care in the State to make reports to the Commission in the same manner and to the same extent as if the State plan were not in effect; and

"(8) provides that the State agency will make such reports to the Commission in such form and containing such information as the Commission shall from time to time require.

"(d) If the Commission rejects a plan submitted under subsection (b), it shall afford the State submitting the plan reasonable notice and opportunity for a hearing before so doing.

"(e) After the Commission approves a State plan submitted under subsection (b), it may, but shall not be required to, exercise its authority with respect to comparable standards, criteria, or norms promulgated under section 1302, for the period specified in the next sentence. The Commission may exercise the authority referred to above until it determines, on the basis of actual operations under the State plan, that the standards, criterions, or norms set forth in subsection (c) are being applied, but it shall not make such determination for at least three years after the plan's approval under subsection (c).

"(f) The Commission shall, on the basis of reports submitted by the State agency and its own inspections, make a continuing evaluation of the manner in which each State having a plan approved under this section is carrying out such plan. Whenever the Commission finds, after affording due notice and opportunity for a hearing, that in the administration of the State plan there is a failure to comply substantially with any provision of the State plan (or any assurance contained therein), it shall notify the State agency of its withdrawal of approval of such plan and upon receipt of such notice, such plan shall cease to be in effect, but the State may retain jurisdiction in any case commenced before the withdrawal of the plan in order to enforce standards under the plan whenever the issues involved do not relate to the reasons for the withdrawal of the plan.

"(g) The State may obtain a review of a decision of the Commission withdrawing approval of or rejecting its plan by the United States court of appeals for the circuit in which the State is located by filing in such court within thirty days following receipt of notice of such decision a petition to modify or set aside in whole or in part the action of the Commission. A copy of such petition shall forthwith be served upon the Commission, and thereupon the Commission shall certify and file in the court the record upon which the decision complained of was issued as provided in section 2112 of title 28, United States Code. Unless the court finds that the Commission's decision in rejecting a proposed State plan or withdrawing its approval of such a plan is not supported by substantial evidence, the court shall affirm the Commission's decision. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(h) The Commission may enter into an agreement with a State under which the State will be permitted to continue to enforce one or more health standards, criteria, or norms in effect in such State until final action is taken by the Commission with respect to a plan submitted by a State under subsection (b) of this section, or two years from the date of enactment of this title, whichever is earlier.

"PROCEDURES TO COUNTERACT IMMINENT DANGERS

"SEC. 1312. (a) The United States district courts shall have jurisdiction, upon petition of the Commission, to restrain any conditions or practices by a provider of health care which are such that a danger exists which could reasonably be expected to cause death or serious physical harm immediately or before the imminence of such danger can be eliminated through the enforcement procedures otherwise provided by this title. Any order issued under this section may require such steps to be taken as may be necessary to avoid, correct, or remove such imminent danger or to maintain the capacity of a continuous process operation to resume normal operations without a complete cessation of operations, or where a cessation of operations is necessary, to permit such to be accomplished in a safe and orderly manner.

"(b) Upon the filing of any such petition the district court shall have jurisdiction to grant such injunctive relief or temporary restraining order pending the outcome of an enforcement proceeding pursuant to this title. The proceeding shall be as provided by rule 65 of the Federal Rules of Civil Procedure, except that no temporary restraining order issued without notice shall be effective for a period longer than five days.

"(c) Whenever and as soon as the Commission concludes that conditions or practices described in subsection (a) exist it shall inform the affected provider of health care of the danger and that it shall seek relief under this section.

"(d) If the Commission arbitrarily or capriciously fails to seek relief under this section, any person who may be injured by reason of such failure, or the representative of such person might bring an action against the Commission in the United States district court for the district in which the imminent danger is alleged to exist or the provider has its principal office, or in the United States District Court for the District of Columbia, for a writ of mandamus to compel the Commission to seek such an order and for such further relief as may be appropriate.

"DEFINITIONS

"SEC. 1313. For the purposes of this title, the term—

"(1) 'input measure' means assessment based on the qualifications of personnel, facilities, and equipment required to provide medical care;

"(2) 'process measure' means assessment based upon the conformance of medical decisions and actions taken in actual episodes of care to some defined standards of medical practice;

"(3) 'utilization characteristics' means those characteristics giving information concerning the rates of usage of components of the health care system such as the length of hospital stays, the number of doctor-patient contacts, and the number of hospital admissions in a year.

"(4) 'outcome measure' means assessment of care based upon health of patients during and particularly at the conclusion of episodes of care. Standards for clinical outcome should be based solely on the results of health care;

"(5) 'Commission' means the Commission on Quality Health Care Assurance;

"(6) 'reinsurance program' means the Federal Medical Malpractice Reinsurance Program established under part B of this title; and

"(7) 'norm' means a statistical range which reflects the parameters of acceptable quality health care practices existing at the time such norm is promulgated.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 1314. There are authorized to be appropriated for the carrying out of the provisions of this part $15,000,000 for the fiscal year ending June 30, 1974; $20,000,000 for the fiscal year ending June 30, 1975; and $35,000,000 for the fiscal year ending June 30, 1976.

"PART B—FEDERAL MEDICAL MALPRACTICE REINSURANCE PROGRAM

"PROGRAM ESTABLISHED

"SEC. 1320. There is hereby established an insurance program to be known as the Federal Medical Malpractice Reinsurance Program which shall be administered by the Commission.

"SCOPE OF PROGRAM

"SEC. 1321. The Commission shall make medical malpractice liability reinsurance available to primary insurers of such liability to the extent that such primary insurers are liable for damages resulting from acts of an insured who holds a valid certificate of compliance in accordance with the requirements of section 1302.

"BASIC AUTHORITY

"SEC. 1322. (a) In carrying out the medical malpractice reinsurance program the Commission shall arrange for—

"(1) appropriate financial participation and risk sharing in the reinsurance 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.

"(b) The Commission shall initially make reinsurance available to cover liability for amounts over $25,000 but not exceeding $1,000,000. If on the basis of studies and investigations, and other information that becomes available the Commission determines that it would be feasible to extend medical malpractice reinsurance programs to cover amounts less than $25,000 or more than $1,000,000 it may take such action under this Act as from time to time may be necessary.

"NATURE OF COVERAGE

"SEC. 1323. (a) The Commission from time to time shall, after consultation with appropriate representatives of insurance authorities of the respective States, provide by regulation for general terms and conditions of insurability which shall be applicable to primary medical malpractice insurers participating in the reinsurance program, including—

"(1) the nature and limits of liability which may be covered by such insurance;

"(2) the classification, limitation, and rejection of any risks which may be advisable;

"(3) appropriate minimum and maximum premiums;

"(4) appropriate deductibles; and

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

"(b) The Commission may enter into such contracts, agreements, or other arrangements, upon such terms and conditions as may be agreed upon with primary insurers in order to carry out the purposes of this part.

"PREMIUM RATES

"SEC. 1324. (a) Premium rates established by the Commission shall be—

"(1) uniform with respect to similar classifications of risks;

"(2) sufficient to provide adequate proceeds to pay all claims for probable losses over a reasonable period of years; and

"(3) exclusive of any loading for administrative expenses of the United States under this part.

"(b) Premiums established under subsection (a) shall be paid to the Commission in such manner as the Commission shall prescribe by regulation.

"TREASURY BORROWING AUTHORITY

"SEC. 1325. (a) The Commission is authorized to issue to the Secretary of the Treasury from time to time and have outstanding at any time, in an amount not exceeding $500,000,000 (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 Commission, 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 purchase 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 Commission under this authority shall, from time to time, be deposited in the Medical Malpractice Reinsurance Fund established under section 1326.

"MEDICAL MALPRACTICE REINSURANCE FUND

"SEC. 1326. (a) To carry out the reinsurance program authorized by this Act, the Commission is authorized to establish in the Treasury of the United States a Medical Malpractice Reinsurance 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 1325 of this title;

"(2) to pay such administrative expenses (or portion of such expenses) of carrying out the reinsurance program as the Commission may deem necessary; and

"(3) to pay claims and other expenses and costs of the reinsurance program (including any premium equalization payments and reinsurance claims), as the Commission deems necessary.

"(b) The fund shall be credited with—

"(1) such funds borrowed in accordance with the authority provided in section 1325 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 Commission under section 1324; and

"(5) receipts from any other operations under this Act which may be credited to the fund.

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

"PAYMENT OF CLAIMS

"SEC. 1327. The Commission 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 which is covered by medical malpractice reinsurance made available under the provisions of this Act."

TECHNICAL AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 204. (a) Section 1 of the Public Health Service Act is amended by striking out "titles I to X" and inserting in lieu thereof "titles I, II, and XV".

(b) The Act of July 1, 1944 (58 Stat. 682), is further amended by renumbering title XI (as in effect prior to the date of enactment of this Act) as title XV and by renumbering sections 1101 through 1114 (as in effect prior to such date) and references thereto as sections 1501 through 1514, respectively.

(c) Sections 767, 768, 769, 769A, and 769B of the Public Health Service Act (added by section 107 of Public Law 92-157) are redesignated as sections 769, 769A, 769B, 769C, and 769D, respectively.

Mr. KENNEDY. Mr. President, this is an amendment in the nature of a substitute, on which I should like to make a brief statement at this time.

Mr. JAVITS. Mr. President, will the Senator from Massachusetts yield for a parliamentary inquiry?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, will the amendment in the nature of a substitute, which has just been set up by the Senator from Massachusetts, itself be subject to an amendment in the nature of a substitute?

The PRESIDING OFFICER (Mr. CLARK). In one more degree.

Mr. JAVITS. I thank the Senator from Massachusetts. With the Senator's permission, I wished to make that clear, as I have already given notice of a substitute to be offered for Senator KENNEDY's basic bill. However, I welcome whatever refinements he wishes to make so that we will be able to judge, based on what we hear about it, with respect to submitting another substitute. But I did wish to make it clear that the opportunity was available.

Mr. DOMINICK. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. I yield.

Mr. DOMINICK. Does the Senator intend to go forward with this, because I never heard of the substitute until just this second.

Mr. KENNEDY. I want to indicate that I will go forward with the substitute and, hopefully, introduce it tonight, and make the explanation. It is a reduction, obviously, in the total authorizations, with some variations in the legislation itself, which I hope to explain.

I would be delighted to review with the Senator from Colorado its particular provisions. It is easily understandable. We are dealing with the same issues we talked about earlier this afternoon and in the course of the hearings themselves. But it does, and it will, I think, move a long way toward meeting most of the objections of a number of the minority members of the committee.

It, in effect, will authorize $865 million rather than the $1.5 billion. In effect, we are cutting the total authorization in half. But it is making the cut in ways which I think will still maintain the central structure and thrust of the legislation. But it will be a significant reduction in the total figure which I know is a matter of considerable concern to the Senator from Colorado and to other members of the committee. We will have moved, if that is accepted, from the legislation which passed last year, of $5.1 billion over a 3-year period, to an $865 million authorization. This is troublesome, but at least it will contain the essential thrust of the legislation.

Mr. HUMPHREY. A point of information. The Senator is introducing an amendment in the nature of a substitute that is basic. Does the Senator expect tonight to vote on this between now and the remainder of the evening, or does he intend to explain it tonight and have it in the RECORD and then vote on it tomorrow?

Mr. KENNEDY. The Senator has correctly stated my views. I will explain it this evening and then I will be willing to talk about it with my colleagues and, hopefully, we will be able to take whatever action the Senate wishes to take tomorrow.

Mr. JAVITS. I should like to make it clear that I expect to present a substitute, on which I have previously given notice. I understand perfectly, and repeat, that it is Senator KENNEDY's desire to put forward the most perfect bill he can, consistent with his views. I also state to the Senator from Colorado (Mr. DOMINICK), for the same reason, that I will submit the substitute tomorrow so that the Senate may make its choice.

Mr. KENNEDY. Mr. President, I believe that the Health Maintenance Organization and Resources Development Act of 1973 as reported by the Committee on Labor and Public Welfare is a good bill. I believe it provides a thoughtful, effective approach to dealing with the enormous problems present in the provisions of health care services throughout the United States. I believe it represents one alternative to our existing fragmented, disorganized system of health care delivery.

The health maintenance organization bill pending before us at the present time was ordered reported by the Committee on Labor and Public Welfare by a vote of 14 to 1, with only Senator DOMINICK voting nay.

Since then, two amendments in the nature of substitutes, in addition to Senator DOMINICK's amendments, have been placed on the Senate Calendar.

I believe that major structural amendments to legislation offered by committee members should be made in committee. This path was not chosen with respect to this legislation.

While I feel that the bill as reported is an excellent, strong piece of legislation, I am mindful of the desirability of consolidating the Senate's position with respect to this important issue to the greatest extent possible. For that reason, I have offered amendment No. 131 in the nature of a substitute to S. 14.

My amendment would go a long way toward meeting the objections, as I understand them, of some minority members of the committee whole retaining the features of the bill which I consider to be essential.

My substitute bill would cut total authorizations from $1.5 billion to $865 million for a 3-year period for support to health maintenance organizations and for the creation of an adequate quality assurance mechanism within the Federal Government.

My amendment would retain the rather specific definitions to be required of an HMO before it would be eligible for Federal assistance, but would broaden the present definition to make individual practice models eligible for assistance on

an equal basis with the closed panel prepaid group practice model. The language contained in part A of title I of S. 14 would be modified in a manner patterned after the amendment offered by Senator DOMINICK to the health maintenance organization legislation last year. Senator DOMINICK's amendment was defeated at that time.

My amendment would further strike authority for supplemental health maintenance organizations, currently eligible for 17½ percent of the funds appropriated under title I. The supplemental health maintenance organization concept is a Federal giveaway program. The definition of entities eligible for funding under part D of title I is so broad, that almost anything can call itself a health maintenance organization and be eligible for funds. I believe it is the responsibility of the Senate to determine, to the greatest extent possible, the characteristics of health maintenance organizations, based upon the extensive hearing record the committee has compiled.

Authority for health service organizations is deleted under the conditions of my amendment. The broadened definition of a health maintenance organization contained in title I of the amendment would allow the Secretary to fund what the now defined as health service organizations in S. 14.

The authority for area health education and service centers is also dropped.

My amendment retains other components of S. 14 unchanged, but at reduced authorization levels. The provisions relating to preemption of restrictive State laws, quality health care initiative awards, capitation grants to enable the Secretary to subsidize premium costs and the costs of compliance with open enrollment requirements, prohibition of the transfer of funds, labor standards, open enrollment waiver, access to records, comprehensive services phase-in, and authority to provide services for Indians and migrant workers are retained.

Title IV of S. 14 is retained in my amendment intact.

The authorization for the appropriation of funds in the committee bill as amended by my amendment, if adopted, would be $865 million over a 3-year period. This compares with an authorization level of $1.5 billion over 3 years in the bill as it now stands, and of $5.18 billion as the bill passed the Senate last September.

Those are the essential differences in the substitute.

Mr. DOMINICK. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. I yield.

Mr. DOMINICK. I am still not quite clear. I gather that the Senator knocks out title II in the HSO but leaves in title I. What did the Senator do about other than the closed panel type HMO?

Mr. KENNEDY. We accepted the language the Senator from Colorado offered last year to provide greater flexibility for eligibility. I want to be precise. The Senator is familiar with this. We are not requiring that it be on a salary basis, but we are providing flexibility for a fee for service payment to the doctors if, in the judgment of the HMO, they feel that is the more desirable means of payment.

We provide flexibility in this area, which I think is a desirable quality.

We have tried to broaden the definition for HMO to reach, as I think it will, a number of the points the Senator from Colorado was interested in last year. But the advantage, as I see it, is that we have eliminated the supplemental HMO's, which we thought was defined in too vague and general a manner, and did not warrant the kind of financial support authorized by the bill.

By continuing the range of services and the other requirements for HMO, we tried to make it more flexible in terms of general definition.

Mr. DOMINICK. So that under title I, the Senator is saying that whatever the amount he has—I have not seen the amendment—would be eligible for grants and loans to any type of HMO and not just closed panel. Is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. DOMINICK. And the Senator does not set aside any particular amount for other than closed panel. It is all lumped together, and then there is discretion in the Secretary.

Mr. KENNEDY. The Senator is correct.

Mr. DOMINICK. I thank the Senator.

Mr. KENNEDY. It seems to me that that is a more desirable compromise than what is included in the present arrangement.

The definition of a medical group as changed, and we have added the following language:

> Such group may be organized on a group practice or individual practice basis, and individual physicians may be paid on a fee for service or any other basis, so long as the group is reimbursed for its services on the basis of an aggregate fixed sum or on a per capita basis.

Mr. DOMINICK. I think that is in accord with the language which was voted down last year.

Mr. KENNEDY. I want to make sure the Senator has a complete copy of the proposed legislation this evening. He is certainly familiar with the broad sweep of it. I know he would like a chance to examine it. I have tried to explain briefly the principal areas of difference.

Mr. President, the Senator from Maine spoke to me about the elimination of HSO's, and he wanted some assurances about the availability of resources particularly in rural communities; I think that is an extremely important area. Some of the greatest health needs are in rural communities. The Senator from Maine was interested in developing a dialog to make sure that any adjustments and changes in connection with this matter would be protected. He spoke to me earlier about this, and I expect to have an opportunity to develop that completely with him tomorrow, and with any other Senator, because we intended, as we refined the definition of the HSO, that it should be clear—as I believe it is in the language—that there would be adequate provision for the development of the HMO's in its broader definition within the rural communities of this country. I look forward to making that as clear as possible.

LEAVE OF ABSENCE

Mr. ALLEN. Mr. President, I will be absent necessarily from the session of the Senate on tomorrow. If I were present, I would vote "nay" on final passage of this bill.

I ask unanimous consent that I may be accorded a leave of absence from the Senate for tomorrow.

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

Mr. KENNEDY. 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. JAVITS. 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. JAVITS. Mr. President, I believe it would be helpful to Senators to have an analysis of the difference between the substitute I intend to introduce and the substitute introduced by the Senator from Massachusetts.

I call attention to the fact that last Wednesday I introduced into the RECORD an analysis of the differences between my substitute and S. 14 as originally presented. In order to bring that analysis up to date it is necessary to have the differences before us as to both substitutes. I ask unanimous consent that a memorandum stating the differences made be printed in the RECORD at this point.

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

COMPARISON OF DIFFERENCES BETWEEN KENNEDY SUBSTITUTE AMENDMENT AND JAVITS/SCHWEIKER SUBSTITUTE AMENDMENT TO S. 14

Javits/Schweiker	*Kennedy*
I Authorizations:	
Total, $705,000,000.	Total, $865,000,000.
Part A, $430,000,000.	Part A, $430,000,000.
Part C, 0.	Part C, 0.
Part D, 0.	Part D, 0.
Part E:	Part E:
Initiative awards, $150,000,000.	Initiative awards, $125,000,000.
Capitation subsidy, 0.	Capitation subsidy, $125,000,000.
Open enrollment subsidy, 0.	Open enrollment subsidy, $115,000,000.
Quality Commission, $125,000,000.	Quality Commission, $70,000,000.
II HMO definition:	
Same as S. 14.	Broaden to include individual practice and fee for service payment.
III Supplemental HMO's:	
Same as S. 14.	Deleted.
IV HSO's and AHBC's:	
Deleted.	Deleted.

V Federal malpractice reinsurance: Deleted.	Same as S. 14.
VI Commission on Quality Health Care Assurance: Establish in HEW.	Same as S. 14, established as independent agency.
VII Waiver of defined health benefits: Broadened to include lack of facilities and equipment.	Same as S. 14, limited to lack of health manpower.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 14, 1973, he presented to the President of the United States the enrolled bill S. 721 to authorize appropriations for the Indian Claims Commission for fiscal year 1974, and for other purposes.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that in lieu of the name of the Senator from Kentucky (Mr. COOK), for whom an order was entered earlier today for 15 minutes tomorrow, the name of the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.) be substituted.

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

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, following the aforementioned orders tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 3 minutes.

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

ORDER FOR CONSIDERATION OF UNFINISHED BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume its consideration of the unfinished business.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. STEVENSON, Mr. HARRY F. BYRD, JR., Mr. GRIFFIN, and Mr. ROBERT C. BYRD.

Mr. President, at the conclusion of the 15-minute orders for the recognition of Senators, there will be a period for the transaction of routine morning business of not to exceed 15 minutes with statements limited therein to 3 minutes.

At the conclusion of the routine morning business, the Senate will resume its consideration of the unfinished business, S. 14. The pending question at that time will be on the adoption of amendment No. 131, an amendment in the nature of a substitute, offered by the distinguished Senator from Massachusetts (Mr. KENNEDY).

It is hoped that the Senate will complete its action on S. 14 tomorrow and that it may then proceed to the consideration of S. 723, a bill to esablish a National Institute for Health Care Delivery, and S. 504, a bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive emergency medical systems.

Upon the completion of those measures it is anticipated as of now, that the Senate would proceed to the consideration of S. 1672, a bill to amend the Small Business Act. Yea-and-nay votes will occur tomorrow.

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 adjornment until 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:24 p.m. the Senate adjourned until tomorrow, Tuesday, May 15, 1973, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate on May 11, 1973, pursuant to the order of May 10, 1973:

U.S. DISTRICT COURTS

Harlington Wood, Jr., of Illinois, to be a U.S. district judge for the southern district of Illinois vice Omer Poos, retiring.

DEPARTMENT OF JUSTICE

Ralph F. Keil, of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years vice F. L. Peter Stone, resigned.

Harold O. Bullis, of North Dakota, to be U.S. Attorney for the district of North Dakota for the term of 4 years, reappointment.

NATIONAL MEDIATION BOARD

David H. Stowe, of Maryland, to be a member of the National Mediation Board for the term expiring July 1, 1976 (reappointment).

U.S. NAVY

The following named captains of the Navy for temporary promotion to the grade of rear admiral in the staff corps indicated subject to qualification therefor as provided for by law:

MEDICAL CORPS

Robert G. W. Williams, Jr.
Paul Kaufman
Robert C. Laning
Robert L. Baker
William M. Lukash

SUPPLY CORPS

John C. Shepard
Carlton B. Smith
Thomas J. Allshouse

CIVIL ENGINEER CORPS

Kenneth P. Sears

DENTAL CORPS

Robert W. Elliott, Jr.

IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line or staff corps of the Navy to qualification therefor as provided by law:

Rex T. Aaron	Duncan M. Butt
Robert S. Adams, Jr.	Robert Buttermore
Gary L. Allen	Michael F. Byrne
John B. Allen	John L. Byrnes
Richard J. Allen	David P. Caccamo
Darl R. Anderson	Frederick W. Caesar
William H. Anderson, Jr.	Kerry H. Callman
David Architzel	Kenneth J. Calise
Gary T. Ariniello	John K. Callahan
Olin M. Armentrout	James A. Campbell
John R. Ashmore	William L. Campbell
Leonard C. Aube	James A. Canter
Johnathan R. Austin III	Don L. Canterna
Bryant W. Averyt	Brian L. Cardiff
James B. Ayres, Jr.	Larry D. Carello
Bruce M. Bachman	Gary L. Carlile
W. K. Bandhauer	Gary S. Carlson
Robert C. Barnes	Stephen A. Carlson
Douglas J. Barnett	William J. Carothers
Randall G. Barnhart	Michael A. Carrigan
Melvin W. Barrentine	Paul D Carstens
Robert P. Bartron	James R. Carter
William D. Bartron	Robert A. Casey II
Daniel J. Bauman, Jr.	Bruce A. Castelman
Neil S. Beck	Kim Castro
John L. Bedker, II	Mark B. Cavallo
Michael R. Behrent	"J" R. Chaffin
Richard H. Belote	Brad A. Chalker
James D. Beltz	Guy C. Chamberlain III
John F. Benjamin	Edward L. Champion, Jr.
Joseph A. Benkert	Evan M. Chanik, Jr.
Vaughn P. Bennett	James H. Chapman, Jr
Wesley A. Bergazzi	John L. Chapman
Stephen J. Bernasconi	Steven B. Cheezum
Charles E. Bianco	Raymond N. Chell, Jr.
William C. Bittman	Dewaine R. Cherry
Hugo G. Blackwood	Gary L. Chetelat
William R. Blake, Jr.	Robert K. Christensen
Gerald B. Blanton	James J. Cipriano
Allen R. Blough	William C. Clair
Richard T. Bocim	Mark F. Clapper
James F. Boland, Jr.	Robert J. Clarey
Raoul Bonvouloir, Jr.	Danny L. Clarkson
Ronald J. Borro	Carl L. Cleveland
Ronald E. Bowman	Steven O. Coats
Frederick J. Brasco	Robert C. Coffeen
Robert E. Brathuhn, Jr.	Lonnie W. Cole
James D. Bridges	Frank S. Coleman, Jr.
Rex S. Bridges	Douglas L. Collins III
Pasquale A. Brignola	William F. Comly
James L. Brill	Robert H. Conn, Jr.
Thomas H. Brillat	Raoul B. Conway
James S. Bristow	Norman R. Cook III
Thomas E. Broderick	Charles G. Cooper III
Thomas G. Broussard, Jr.	David W. Cornell
David A. Brown	William R. Corse
Dean R. Brown	John Alan Cory
Gary W. Brown	Edward F. Cotter, Jr.
James B. Brown, Jr.	John G. Cotton
Stuart V. Brown	Daniel P. Couch
James L. Buchanan	Dana C. Covey
Bruce W. Buckley	Paul R. Cox
James R. Burdett	Ryan C. Cramer
Kirk S. Burgamy	Albert D. Creasy, Jr.
Roger L. Burkhart	Jeffrey W. Crews
John Burkholder	William H. Cross, Jr.
Robert M. Burnes	Michael S. Crouch
Thomas N. Burns	Jeffrey W. Cummings
	John C. Cunliffe

Michael P. Curreri
Gary A. Currey
John L. Dailey, Jr.
Addison G. Daniel III
John R. Davis
Craig B. Dawson
Martin K. Deafenbaug
Steve R. Dean
Wilson B. Decker
Thomas J. Degeorge
Robert C. Degour
Michael C. DeManss
John C. Dempsey, Jr.
Michael F. Dennis
Patrick L. Denny
Daniel C. Denzer
Andrew A. DePeder
Douglas A. DeSalvo
James J. Destafney, Jr.
Stephen B. DeVilbiss
Richard Dick
Lawrence E. Dlugos
David O. Dodge
Lawrence T. Doerflein
William G. Doherty
James T. Dohse
Stephen M. Dole
Conrad J. Donahue, Jr.
Joseph W. Doswell, Jr.
Michael J. Dougherty
Patrick R. Drake
Dennis C. Draper
J. B. Dreger
William M. Dunaway
Calvin L. Durst
Dennis M. Dwyer
John J. Edvardsen
James M. Eggleston
John E. Eisaman, Jr.
Richard A. Elliott
Timothy P. Ellis
Michael S. Ellison
Royce A. Engler
Thomas F. Enright
Philip Lee Ertel
Manuel F. Estrada
James F. Etro
Allan J. Eurek
John J. Evans
William G. Evans
William L. Evans
Bruce P. Evjen
James L. Ewing IV
Frederick D. Fahlberg
Bruce K. Farley
Homer L. Faust, Jr.
Thomas M. Feeks
Robert M. Fenlon
John A. Fericks
John R. Ferraro
Jay P. Fischer
Rand H. Fisher
Rory H. Fisher
Robert E. Fishman
Paul V. Fitzgerald III
John L. Fleming
William P. Fogarty
Gregory N. Fontaine
Robert D. Ford
Jack D. Forde, Jr.
Arthur K. Foskett
Tally B. Fox
Frank J. Frabotta
Richard W. Frailing
Howard J. France
Roger B. Francisco
Jonathan D. Friestedt
Raymond N. Fulton, Jr.
William H. Funke
Mark P. Gabrynowicz
Michael J. Gage
Thomas P. Gallagher III
James R. Garban
David P. Garfrerick
James E. Garrison
Richard S. Garvey
Kenneth P. Gathercole
William J. Gerken
Mark J. Geschke
Robert J. Gibson
George C. Giessing III
Douglas C. Gilbert
James V. Gilbert
Dennis M. Gillespie
Randy E. Glasnapp
John C. Goble
Mark A. Golay
Marc D. Goldberg
Jonathan L. Goldstein
William D. Good
John R. Goodrich II
James W. Gordon
John P. Gorman
Thomas F. Gorman, Jr.
Michael J. Gouge
William A. Goulding
Dennis D. Grabulis
Bret Graham
Jeffery W. Grant
William Gravell
George H. Greanias
John B. Gregor
Douglas B. Griffin
Richard A. Griffin, Jr.
David N. Griffith, Jr.
Geoffrey M. Griffiths
Joseph J. Grosel
James P. Gruber
James A. Haggart
James S. Hamlin, Jr.
James D. Hamrick
Carl E. Hance
Rexford D. Hand
Dwight W. Handforth
Scott C. Haney
Allen R. Hansen
Steven P. Hansen
Robert D. Hanson
Ross M. Harding
Bruce C. Hargus
Steve R. Harkins
John C. Harris
Michael J. Harris
Michael M. Harris
Randall C. Harris
Russell E. Harris
James J. Harrison
Marc A. Harrison
Robert M. Hartling
John C. Harvey, Jr.
Peter L. Hatton
David L. Hayes
Conrad P. Hedderich
Dale P. Helmer
Gary L. Helmick
Jay M. Hemberger, Jr.
Howard J. Hempenius
Craig B. Henderson
Michael D. Henderson
Paul B. Hendrickson
Scott L. Hendrickson
Douglas G. Henry
Peter D. Herlin
Richard J. Herman
David L. Herr
Raymond B. Herring
"J" D. Hertel
Randall J. Hess
Samuel G. Hester
James D. Hillenmayer
Phillip P. Hoffmann
Stephen M. Holgate
James C. Holloway
Robert C. Holmes
William B. Holmes
Derek E. Holmquist
Thomas H. Holt
Richard B. Hooker
Richard M. Hoover
Donald D. Hopkins
James P. Hopkins, IV
Steven W. Horton
Kim C. Houck
John J. Howard
Gregory A. Huber
John M. Hudspeth
Thomas P. Muegerich
Louis A. Hughes
David B. Hultberg
Jeffrey A. Iiams
Steven R. Ingram
Kenneth A. Jacobsen
John C. Japuntich
David P. Jaqua
William D. Jobe
Jacob L. Johnson, Jr.
John E. Johnson, Jr.
Kenneth A. Johnson
Robert S. Johnson
Donald W. Jones
Douglas E. Jones
Maxwell L. Jones
Max E. Kalafat
Michael R. Kalas
Joseph C. Kale
James C. Kane
Michael J. Kane
Bruce Keener, IV
Jeffrey D. Keho
Orion P. Keifer
Stephen H. Keller
Michael D. Kelley
Barry L. Kelly
James D. Kelly
John M. Kelly
Thomas B. Kelly
William G. Kelsey
Wayne M. Kennard
John F. Kennedy
Robert B. Kennedy
John M. Kenny
William A. Kerekes
Thomas J. Kiernan
Thomas J. Kilcline, Jr.
Chad King
Kim A. King
Larry A. King
Mark E. Kirchberg
Robert J. Kirkland III
John R, Kirwan, Jr.
Edward P. Kiss
William C. Kissel
Robert F. Klaus
Gary D. Klein
Glenn E. Klein, Jr.
Robert R. Klepacki
Francis J. Klingseis
Robert J. Knight
Arthur "L" Knoflick
Louis H. Knotts
Charles B. Knutson
Roy E. Knutson
David R. Kohler
Mark W. Kohring
Dennis R. Kolasa
William S. Kordis
Gary D. Kornegay
Norman W. Kowalski
Joseph S. Krajnik
John S. Kraus
Joseph A. Krisiak
Thomas L. Krupski
David W. Kucik
Arthur P. Kuehne
David M. Kuhn
Steven A. Kunkle
Paul S. Kuntz
Michael J. Kupfer, Jr.
William C. Kurz
Wells K. Labberton
Vincent D. Lacava
James C. Lamar
Paul K. Landers
Roger B. Lanning
Randall D. Larson
James H. Lash
William B. Laskin
George C. Lassetter III
Frank J. Laughlin
Douglas J. Law
David M. Leather
Mark A. Leatherwood
Matthew L. Lechleitner
Douglas A. Leland
David L. Lengel
Richard M. Levy
Donald W. Lewis
William R. Liedtke
Carl M. Lindner III
Robert E. Luby, Jr.
David W. Lucas
John C. Lucy
Michael J. Lupidi
Patrick M. Lyons
Gordon S. MacDonald
Charles A. MacMillan
Daniel F. Madden
Joseph S. Mahaley
John D. Maher
Jonathan T. Malay
Barry P. Mangan
William F. Manganaro
David J. Maresh
Donald G. Marquart
David W. Marshall
Douglas B. Marshall
John J. Martin, Jr.
Thomas O. Martin
Peter W. Marziuff
Robert E. Maskell
Robert D. Maslowsky
James J. Masterson
Thomas O. Matella
Kenneth P. Mayeaux
Timothy S. McClay
Mark S. McClellan
Kevin B. McCleskey
James R. McClurg
William M. McCracken

Edward F. McDonald
Bruce E. McGalliard
James M. McGarrah
John J. McGarry, Jr.
Louis L. McGinty
John S. McHenry
John A. McIntosh III
Terrance J. McKearney

Michael S. McKeever
Tobin R. McNatt
Michael D. McRobbie
Duncan H. Meldrum
David D. Mericle
James L. Messervy
Bruce R. Metrick
John R. Midgett
Joachim T. Mihalick
George A. Mikolai
Albert R. Miller, Jr.
Burt E. Miller
Gary W. Miller
Matthew P. Minahan
Frederick R. Minier
Vincent P. Mocini
Randall J. Mollet
Carmen S. Mondelli, Jr.
William M. Montgomery
David B. Moreland
James B. Morin, Jr.
William M. Morrison
James D. Morton III
James A. Moseman
Scott F. Moss
Donald D. Mowry
Edward J. Muldoon, Jr.
Charles L. Munns
Roger W. Murch
James C. Murphy
James S. Murphy
Alexander H. Murray
James P. Murray
Michael K. Murray
Daniel G. Musmanno
Lawrence C. Myers III
Michael S. Myers
Richard C. Myers
Thomas R. Nadeau
Glen E. Nardi
Russell A. Neal II
Leonid Neboshynsky
Gregory M. Neifelt
Hugh D. Nelson
Patrick A. Nelson
Robert N. Nestlerode
Ralph R. Neumeister
Randolph Ni
Steven R. Nichols
William F. Nielsen
Vincent J. Nigro
Michael J. Nolan II
Roger T. Nolan
Robert M. Norman
John A. Norris, Jr.
Gary S. Nowak
John S. Nunnery
Steven M. Nyman
Michael P. Obert
David F. O'Connor
James F. O'Connor
Charles D. O'Dell
Stephen E. Ogden
James C. Oliver III
Eric T. Olson
Larry E. Olson
Dennis J. O'Meara
Fred G. Orchard
Colin C. Osborn
Michael J. O'Shaughnessy
Michael P. O'Sullivan
Stephen S. Oswald
Dudley M. Outcalt
Lewis G. Pallas
George R. Parish III
Thomas K. Parks
Herbert W. Parthum, Jr.
Robert C. Partlow
John J. E. Parus
Keith W. Patten
Donald J. Patton
John E. Patton
Robert M. Peal
Andrew J. Pease
John S. Pechonis
Mark R. Perez
Harry J. Phillips
Donald M. Phipps
Kenneth G. Picha
Craig A. Pierce
John F. Pilli, Jr.
Randall S. Plane
Jeffrey L. Poe
Jack M. Pohlmeyer
Bruce C. Pollock
Charles T. Poltack
Steven C. Poppy
Charles R. Porcelli
Carl A. Powell
Glenn C. Powers
Gregory Pozinsky
Robert E. Preston, Jr.
Donald S. Price
Edward L. Price
Ronald J. Price
Ronald H. Provencher
Dale L. Puhrmann
James G. Pullen
Gerard J. Purciarello
Michael T. Rader
James C. Radney
Mark D. Rahmel
Donald W. Randall
James D. Randall
Carl F. Ransburg
Bradford R. Rath
Bill C. Ray
Kevin J. Reale
Raoul B. Reese
John R. Reeves
Thomas J. Reid
Kenneth S. Reightler, Jr.
Otto G. Reimann
Douglas J. Rein
Edward R. Reinhardt
Peter J. Reinhardt
Kai T. Repsholdt
Stephen F. Resser
Craig O. Reynolds
William W. Reynolds
Gary G. Rhoads
Douglas S. Rice
Brian C. Rich
Randy J. Rickey
Michael L. Righi
Thomas F. Roberts
Matthew J. Rogers
Robert W. Rolfes
Gregory J. Rose
Gary Roughead
Micael L. Rowland
Ernest M. Ruberg
Harry J. Rucker
John M. Russell
Thomas B. Russell III
Larry E. Rutledge
Paul J. Ryan
Noe A. Salazar
Mark J. Salmen
Charles N. Salmond
Stephen M. Sammon
Richard G. Samuels, Jr.
Gary V. Samuelson
William C. Sanderson
Mathew J. Saviello
Peter A. Scala
Delbert D. Schaub
Timothy E. Scheib
Guy D. Schein
Andrew E. Schneck
David L. Schreder
Craig W. Scott
Timothy J. Scott
Ronald L. Scudder
John R. Seaberg
William F. Seebode III
Herman L. Seedorf III
Michael J. Selwald
Richard J. Severinghaus
Robert "B" Shary, II
Mark W. Shaughnessy
Dennis J. Shea
Paul G. Sherland
Jack E. Shick
Rodney L. Shockley
Terry L. Shoemaker
Marc A. Shuter
Howard B. Sidman
Harry M. Siegel
Terry D. Silva
John S. Simcox
Thomas L. Simmonds
Michael F. Simon
Daniel L. Simpson
Michael D. Simpson
Robert C. Simpson
Mark S. Skorich
William T. Sleichter
Thomas E. Sliva
Nicholas B. Smilari
David L. Smith
John P. Smith
Kenneth M. Smith, Jr.
Kyle R. Smith
Robert G. Smith
Stephen M. Smith
James C. Snead
James W. Somers
Bruce A. Spalding
John R. Sparaco
Ross A. Springer
David R. Stacy
Barry A. Stark

Thomas G. St. Denis
Michael J. Steele
John C. Stencil
Van A. Stephens
Robert A. Stephenson
Charles M. Stevens II
John R. Stevenson, Jr.
Joseph D. Stewart
Don L. Sticinski
Timothy D. Stoddard
Thomas M. Storch
Dan M. Stover
Gregory C. Straessle
Lance J. Strauss
David W. Stickland
James E. Stuckey II
David L. Stutzman
Joseph W. Suchy
Stephen D. Sudkamp
John A. Sullivan
Eric R. Swanson
Timothy M. Taylor
Michael W. Terry
Thomas J. Tesoriero
Dan I. Thigpen
Bruce G. Thompson
Henry F. Thompson, Jr.
Stephen C. Thompson
Thomas A. Thompson
Lester F. Thorpe
Terry W. Tilton
Craig S. Tomlinson
Christopher F. Tompkins III
David A. Toms
Charles R. Trahan, Jr.
Michael H. Trent
Thomas R. Tritz
Theodore C. Turnblacer
Richard P. Umbel, Jr.
William J. Ungvarsky
Robert W. Van Dine
Leland B. Van Oss
James L. Van Sickle
Robert W. Ver Voorn
Kevin R. Vienna
Pierre G. Vining
Richard L. Virgilio
Dennis J. Vito
Patrick M. Virtue
Pete A. Vrotsos
Dana L. Vugteveen
David D. Wagner
Richard E. Wagner
Robert D. Wakefield
Craig G. Walenga
Thomas E. Warren
George P. Watt, Jr.
Robert D. Watts
William S. Weise
Kenneth C. Weiss
Charles A. Weitz, Jr.
Joseph D. Weller, Jr.
Jeffrey D. Welsh
Raymond L. Wenderlich
William D. West
Mark A. Wheeler
Ronald A. Whisenhunt
Carroll L. White
Donald H. White
Roy A. Wiegand, Jr.
Randy L. Wight
Edward B. Wilkes
Stephen G. Wilkes
Robert F. Willard
William W. Williams
David W. Willmann
Craig W. Wilson
Donald F. Wilson
Eugene K. Wilson, Jr.
Terence S. Wilson
Thomas J. Wilson III
Sherman D. Winchell
Jeffrey R. Woll
Terry R. Woodrow
Richard L. Wright
John W. Wuichet II
John S. Yackus
John D. Yepsen
William M. Yerkes, Jr.
William G. York
Brian K. Young
Ernest C. Young
Gordon R. Young
Mark A. Young
Patrick E. Young
Stephen P. Yuhas
Fred C. Zeile III
Michael I. Zimet
Gary W. Zimmer
James M. Zortman

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law.

Michael S. Bailes
Patrick N. Brady
Steven R. Burnette
Timothy J. Carey
Edward P. Cornely
Michael R. Doerr
Timothy M. Donohue
Douglas V. Dorsey
Peter S. Eltringham
Charles C. Evans
Howard D. Eves
Douglas W. Frolli
John L. Gottschalk
David B. Green
Joseph M. Hall
Kevin M. Killoren
Martin R. King
Frederick J. Klotzbach, Jr.
Edward D. Kosakoski
Richard O. Kuehl
David M. Maddon
Stephen E. Markkanen
Mark E. Miller
Kevin E. Mulcakey
John W. Nyce
Michael P. O'Connor
Geoffrey F. Presson
William T. Purcell
William J. Perlmutter
Gordon L. Rich
Joseph G. Romano
Robert C. Scholes
David W. Shafer
James T. Shaw III
Carl M. Smeigh, Jr.
Bruce T. VanBelle
Clifford H. Waits, Jr.
Jason L. Williams
Michael E. Wills

The following-named (naval enlisted scientific education program candidates) to be permanent ensigns in the Line or Staff Corps of the Navy, subject to the qualification therefor as provided by law.

William H. Powell, Jr.
David P. Sommers.

Lawrence N. Varner (civilian college graduate) to be a permanent lieutenant (junior grade) and a temporary lieutenant in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Patrick M. Devig.
Alan L. Gorrell.
Robert K. O'Bryan.
Daniel J. Weber.

The following-named (Naval Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

Lowell H. Kallen.
Andrew J. O'Dwyer, Jr.
Douglas M. Stetson.

Richard G. Sowden (Naval Reserve officer) to be a permanent lieutenant in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

George V. Frankhouser, Jr. (Naval Reserve officer), to be a permanent lieutenant commander and a temporary commander in the Medical Corps of the Navy, subject to the qualification therefor as provided by law.

The following-named (civilian college graduates) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Donald P. Carlson
Robert J. Carlson
Howard L. Grissom
Saul H. Landa
John D. Nydahl
Gerald W. Ogilvie

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Harvey A. Akerson
Robert B. Carlson
Patrick J. Constantine
Anthony J. Farace, Jr.
Philip E. Genet
James A. B. Hadman
Robert C. Herrmann
William L. Holton
Walter J. Kucaba
John C. Martin
John D. Matheson
William G. Reeves, Jr.
Richard P. Rog
Ronald J. Smith
Paul F. Stannard
Charles F. Tremann

Raymond H. Beastall (Naval Reserve officer) to be a permanent lieutenant in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law.

Charles A. Woerz (Naval Reserve officer) to be a permanent lieutenant and a temporary lieutenant commander in the Dental Corps of the Navy, subject to the qualification therefor as provided by law.

Alfred Schmidt, U.S. retired officer, to be reappointed from the temporary disability retired list as chief warrant officer W–2, for temporary service, subject to the qualification therefor as provided by law.

The following-named U.S. Navy officers to be temporary commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law:

Larry E. Cummins
John T. Lucas
Britton E. Taylor

The following-named (civilian college graduates) to be permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law:

Franklin G. Ebaugh
Ira B. Horton, Jr.

John A. Callahan (civilian college graduate) to be permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

John J. Stevens III (civilian college graduate) to be permanent commander and a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

Ex-Cmdr. John E. Williams to be a commander in the Medical Corps, in the Reserve of the U.S. Navy, for temporary service, subject to the qualification therefor as provided by law.

The following-named (civilian college graduates) to be commanders in the Medical Corps, in the Reserve of the U.S. Navy, for temporary service, subject to the qualification therefor as provided by law:

Don R. Tielens
Calvin J. Willis

Capt. Ross B. Moquin, U.S. Navy, to be a permanent commander and a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualification therefor as provided by law.

EXTENSIONS OF REMARKS

TERROR IN THE NIGHT

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, May 14, 1973

Mr. HARRY F. BYRD, JR. Mr. President, the May 3 edition of the Richmond Times-Dispatch included an excellent editorial about the night raid on the homes of two families in Collinsville, Ill., April 23.

The invasion of these homes was a shocking example of what can happen when law enforcement officials, armed with more authority than judgment, are given too much leeway.

I am firmly opposed to the "no-knock" provisions which Congress has enacted, and I would like to see all such statutes repealed. But if such provisions are to remain on the books, then certainly greater caution must be exercised by those charged with enforcing the law.

The editorial in the Times-Dispatch rightly points out that the fourth amendment to the U.S. Constitution guarantees the right of the people to be secure in their homes. The raid at Collinsville seems to me a clear violation of that right.

I ask unanimous consent that the text of the editorial, "Terror in the Night" be included in the Extensions of Remarks.

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

TERROR IN THE NIGHT

At a time when the nation is learning the sickening story of dishonesty and plain criminality among some men who served in the highest positions of trust in the federal government, a chilling episode of another kind involving federal agents has come from Collinsville, Ill.

There, federal narcotics agents are reported to have burst into the homes of two families on a recent night, kicking down the doors, wrecking furniture, mouthing obsceni-